

New Jersey American Water Files for Rate Adjustment

Over \$1 Billion in System Upgrades to Ensure Water Quality and Reliability Drives Request

CAMDEN, N.J. (December 16, 2019) – [New Jersey American Water](#) has filed a petition with the New Jersey Board of Public Utilities (BPU) for new rates based on the significant investment the company has made or will make into its water and wastewater infrastructure since its last rate case.

“Since our last rate case, we have invested or will invest more than \$1 billion in infrastructure upgrades, including over 95 miles, more than 510,000 feet, of water main, to ensure continued water quality, service reliability and fire protection for the more than 2.7 million people in 18 counties who depend on us every day,” said Cheryl Norton, president of New Jersey American Water. “Not only are these investments critical to the public’s health and safety, but they also support the economic health of the communities we serve. This level of investment contributes to the creation of approximately 16,000 jobs across the state.”

Some of the company’s critical infrastructure projects across its service areas included in the rate request are as follows:

- Production and Water Quality Lab improvements at the Oak Glen Water Treatment Facility, serving the company’s Monmouth and Ocean County service areas.
- Improvements to the emergency power system, pumping station, filter system and other infrastructure at the Raritan-Millstone Water Treatment Facility, serving more than 1 million people in the company’s Central operating region including Mercer, Middlesex, Somerset, Hunterdon and Union counties.
- Construction of a new clearwell and water booster project at the Swimming River Water Treatment Plant, serving the company’s Monmouth and Ocean County service area.
- System improvements to five of the company’s seven surface water treatment plants – Oak Glen, Swimming River, Delaware River, Canoe Brook and Raritan-Millstone Water Treatment Plants – serving most of the company’s customers.

- Replacement of several aging, critical, large-diameter transmission mains in the company's Central and Coastal regions, including 36-inch transmission mains in Silver and from Howell to Lakewood, and a 60-inch transmission main in South Plainfield.
- Design and installation of improved groundwater treatment for PFAs to ensure compliance with set and proposed DEP regulations.
- Implementation of additional leak detection technology in the company's Central and North operating regions.
- Replacement or upgrades to dozens of wells, pumping stations and other critical facilities serving customers in service areas throughout the state.
- Sewer system upgrades throughout the company's statewide service areas including sewer mains, lift stations and other infrastructure in Ocean City, Lakewood and Haddonfield.

In addition to these major projects, New Jersey American Water's investment into replacing or rehabilitating more than 95 miles, or more than 510,000 feet, of aging water mains is also included in this rate request. The company renews aging water mains on a 90- to 100-year cycle, which achieves the level of investment recommended by the state of New Jersey's Water Quality Accountability Act. As reflected in the company's certification submissions in October 2019, New Jersey American Water is fully compliant with each requirement of the law, including Safe Drinking Water Act regulations, licensing of water supply and wastewater operators, water supply allocation permits, hydrant and valve maintenance, cyber security, violation mitigation plans, and infrastructure improvement/capital investment plans.

As the largest water utility in the state and a leader in the industry, New Jersey American Water is also seeking the recovery of replacement of lead service lines for customers as part of its main replacement program.

Norton added that New Jersey American Water's rates are based on the actual cost of providing water and wastewater service. "To help mitigate rate increases for customers, we work very hard to control our costs and operate as efficiently as possible," she said.

If the company's proposed rates are approved as requested, the monthly water bill for the average residential customer using 5,400 gallons per month, would increase from the current charge of \$55.89 to \$62.35, an increase of \$6.46 per month, or 21 cents per day. The average monthly residential sewer bill would increase between \$0.00 and \$12.79, depending on the service area. Even with these increases, the cost of high-quality, reliable, 24-hour water service would continue to be about a penny per gallon and remain among the lowest household utility bills.

The company's rate request undergoes extensive public scrutiny by the BPU, the New Jersey Division of Rate Counsel, and the Office of Administrative Law. This vetting will include numerous interrogatories, public hearings and evidentiary hearings. This process, based on prior requests, can take a minimum of nine months. To increase transparency of the process, the company's petition and its associated exhibits are being posted to the Company's website, www.newjerseyamwater.com, under Customer Service, [Your Water Rates](#).

New Jersey American Water is seeking a total annual revenue increase of approximately \$87.7 million. The increased rates proposed in the rate petition are a request only. The New Jersey Board of Public Utilities will make the final decision regarding the actual increase. Once a final decision has been made, customers will receive information on the new rates in the mail and on the company's website.

About New Jersey American Water

New Jersey American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.7 million people. For more information, visit www.newjerseyamwater.com and follow New Jersey American Water on [Twitter](#) and [Facebook](#).

About American Water

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

Press Release



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