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October 15, 2025

**Via Electronic Mail**

Hon. Sherri L. Lewis, Secretary  
Board of Public Utilities  
44 South Clinton Ave, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: New Jersey-American Water Company, Inc. Wastewater System Improvement Charge (“WSIC”) Foundational Filing – Second Surcharge Filing  
BPU Docket No. WR24030203**

Dear Secretary Lewis:

Enclosed for filing on behalf of New Jersey-American Water Company, Inc. (the “Company” or “NJAWC”) in the above-referenced matter (the “Second WSIC Foundational Filing”), please find the Company’s Wastewater System Improvement Charge (“WSIC”) calculation for the April 1, 2025 through September 30, 2025 WSIC Recovery Period, as well as Seventh Revised Tariff Sheet No. 55.1, Rate Schedule 9-A.1, with an effective date of November 29, 2025.

The filing consists of Schedule A, the calculation of the second surcharge under the Second WSIC Foundational Filing; Schedule B, the WSIC surcharge bill impact and proof of revenue; Schedule B1, the WSIC surcharge reconciliation calculation for the prior period; Schedule C, the detailed main replacement and rehabilitation list; and Schedule D, the breakdown of manhole and service lateral replacements, unscheduled main replacements, and the plant comprising the base spending for the recovery period. Schedule E, the Company’s confidential annual Earnings Test for the twelve months ended September 30, 2025, is being provided in redacted form. The confidential version will be filed separately, along with a request for confidential treatment of this information.

Please do not hesitate to contact me if you have any questions or require any additional information regarding this filing.

Respectfully submitted,

A handwritten signature in blue ink that reads "Teresa Harrold".

Teresa K. Harrold  
Director, Corporate Counsel

TKH:dlc  
Enc.

c: Service list (via email, w/enc.)

**Petition of New Jersey-American Water Company, Inc. for Authorization to Implement a  
Wastewater System Improvement Charge  
Board Docket No. WR24030203  
SERVICE LIST**

**Board of Public Utilities**

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**New Jersey-American Water Company, Inc.**

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**RATE SCHEDULE 9-A.1**  
**WASTEWATER SYSTEM IMPROVEMENT CHARGE**

Applicable to all wastewater treatment and service customers on Rate Schedules 1-A, 2-A, 5-A, 6-A, 10-A, 11-A, 13-A, 16-A and 21-A.

**CHARACTER**

Continuous, except as limited by the "Standard Terms and Conditions".

**WASTEWATER SYSTEM IMPROVEMENT CHARGE (WSIC)**

In addition to all other charges for wastewater collection and treatment throughout the entire territory served, the following charges will be assessed on a fixed, per meter or meter equivalent basis for each monthly bill.

**RATE**

This charge is in addition to Rate Schedules 1-A, 2-A, 5-A, 6-A, 10-A, 11-A, 13-A, 16-A and 21-A.

<u>Size of Meter</u>	<u>Non-Exempt Per Month</u>	<u>Exempt Per Month</u>
5/8"	\$3.78	\$3.28
3/4"	5.67	4.93
1"	9.45	8.21
1 1/2"	18.90	16.42
2"	30.23	26.28
3"	56.69	49.27
4"	94.48	82.11
6"	188.95	164.22
8"	302.32	262.76
10"	377.90	328.45
12"	472.38	410.56
16"	755.80	656.89

**FILING**

The WSIC is authorized pursuant to N.J.A.C. 14:9-11.1 et seq. and the procedures for filing, reviewing, approving and implementing the WSIC are set forth therein. The WSIC is based on the Company's Foundational Filing, which was reviewed and approved by the Board of Public Utilities. The approval process included public notice and public hearings. The notice included proposed surcharge amounts, which were estimated based on projected construction schedules, costs and other factors. Pursuant to the approved Foundational Filing, the Company shall endeavor to make semi-annual WSIC filings at approximately six-month intervals. The WSIC is subject to a maximum amount and other limitations in N.J.A.C. 14:9-11.1 et seq.

**TERMS OF PAYMENT**

See the Rate Schedules for applicable customer classes.

**CONDITIONS**

Subject to the "Standard Terms and Conditions" except as otherwise set forth in this Schedule.

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Issued: October 15, 2025

Effective: November 29, 2025

By: Mark K. McDonough, President  
1 Water Street, Camden, NJ 08102

Filed pursuant to Order of the Board of Public Utilities entered in  
Docket No. WR24030203 dated September 4, 2024.

**New Jersey - American Water Company, Inc.**  
**2nd Foundational Filing - WR24030203**  
**WSIC Recovery Period Surcharge Filing**

**Schedule A**

	WSIC Surcharge Filing #1 9/15/2024 to 3/31/25	WSIC Surcharge Filing #2 4/1/2025 to 9/30/2025	Total
Total Proposed WSIC Additions	\$ 11,696,953	\$ 28,734,122	\$ 40,431,074
Less: Base Expenditures	(131,900)	(9,195,570)	(9,327,470)
Eligible Investment (Qualified WSIC Additions to UPIS During WSIC Period)	11,565,053	19,538,552	31,103,605 (A)
Less: Accum Depr	(44,585)	(151,841)	(196,427) (B)
Less: Deferred Tax	(16,948)	(57,717)	(74,665) (C)
Eligible Net Investment (net WSIC Additions to UPIS During WSIC Period)	11,503,520	19,328,993	30,832,513
Times Pre-Tax ROR	X 8.5557%	8.5557%	8.5557% (D)
Pre-Tax Return on Investment	984,207	1,653,731	2,637,937
Add: Depreciation	164,622	278,121	442,743
Revenue Recovery	1,148,829	1,931,852	3,080,681
Revenue Factor	\$1.159744	\$1.159744	\$1.159744 (E)
Total WSIC Revenue Requirement Recovery Amount	1,332,348	2,240,454	3,572,802
WSIC Foundational Filing #1 - (over)/under recovery (Schedule B1)	(47,256)		(47,256)
WSIC Foundational Filing #2 - (over)/under recovery (Schedule B1)		26,830	26,830
WSIC Revenue Requirement Recovery Amount - Annual	1,285,092	2,267,284	3,552,376
Annual WSIC Revenue Cap Amount at 5%			3,105,041 (F)
Amount Over Cap Removed from Surcharge			(467,762)

<b>WSIC Revenue Requirement Recovery Amount - Monthly</b>	<b>\$107,091</b>	<b>\$188,940</b>	<b>\$258,753</b>
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**UPIS ADDITIONS SUMMARY**

(A) - Includes actual WSIC eligible projects closed to UPIS during WSIC Period

Asset Category
Mains Replacements and Rehabilitations
Manhole Replacements
Service Replacements
Unscheduled Main Replacements
Base Spend
<b>Subtotal</b>

	9/15/2024 to 3/31/25	4/1/2025 to 9/30/2025
	\$8,432,062	\$16,869,848
	880,828	286,820
	2,252,163	1,810,742
	-	571,141
	131,900	9,195,570
	<b>\$11,696,953</b>	<b>\$28,734,122</b>

(B) - Accumulated Depreciation:

	9/15/2024 to 3/31/25	4/1/2025 to 9/30/2025
WSIC Eligible projects closed to UPIS	11,565,053	\$19,538,552
Composite Depreciation rate	1.423%	1.423%
Annual Depreciation Expense	164,622	278,121
Cumulative Depreciation Expense	44,585	151,841

(C) - Deferred Taxes:

	9/15/2024 to 3/31/25	5/1/2025 to 10/31/2025
WSIC Eligible projects closed to UPIS	\$11,565,053	\$19,538,552
MACRS Rate	4.00%	4.00%
Annual Tax Depreciation	462,602	781,542
Cumulative Tax Depreciation	125,288	426,687
Less: Book Depreciation	44,585	151,841
Tax Depr Greater than Book	80,703	274,845
Deferred Taxes at 21%	\$16,948	\$57,717

(D) - Pre-Tax Rate of Return:

	Ratios	Cost Rate	Weighted Average Cost of Capital	Pre-Tax ROR
Long Term Debt <sup>1</sup>	45.00%	4.16%	1.8722%	1.8722%
Common Equity	55.00%	9.60%	5.2800%	6.6835%
Subtotal Return on Rate Base	100.00%		7.1522%	8.5557%

<sup>1</sup> Cost of Capital as per Docket WR19121516

(E) - Revenue Factor:

Dollar of Revenue	\$1.000000
Less: GRT Tax	(\$0.130869)
Less: Bad Debts & Reg Assessments	(\$0.004128)
Less: BPU Assessment	(\$0.002218)
Less: DRC Assessment	(\$0.000526)
Revenue remaining after taxes, bad debts, and assessments	\$0.862259
Revenue [Gross-up] Factor	<b>\$1.159744</b>

(F) - Revenue Requirement:

Please note that the revenue requirement is limited by the WSIC-cap. For example if the Company's annual revenues established in their last base rate case were \$100,000,000, then the WSIC-cap would be calculated as follows:

Total annual revenues from most recent base rate case of \$100,000,000 X 5.00% = \$5,000,000  
The Company's revenue requirement in the above example can not be greater than \$5,000,000 per year

**Monthly cost per 5/8th Inch Meter - Typical Residential Customer -**  
**WSIC Revenue as a % of total Water Revenue \$62,100,810**

<b>\$3.78</b>
<b>5.72%</b>

**WSIC SURCHARGE BILL IMPACT**

<b>NEW JERSEY-AMERICAN WATER COMPANY</b>									
<b>BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS</b>									
Meter Size	5/8" Equivalent	GMS		Resale		Exempt		Total	
		Number of Meters*	Weighting	Number of Meters*	Weighting	Number of Meters*	Weighting**	Number of Meters*	Weighting
5/8	1.0	53,474	53,474	0	0	0	0	53,474	53,474
3/4	1.5	1,262	1,893	0	0	0	0	1,262	1,893
1	2.5	2,792	6,980	0	0	0	0	2,792	6,980
1-1/2	5.0	201	1,005	0	0	0	0	201	1,005
2	8.0	533	4,264	0	0	0	0	533	4,264
3	15.0	10	150	0	0	0	0	10	150
4	25.0	25	625	0	0	0	0	25	625
6	50.0	0	0	0	0	0	0	0	0
8	80.0	1	80	0	0	0	0	1	80
10	100.0	0	0	0	0	0	0	0	0
12	125.0	0	0	0	0	0	0	0	0
16	200.0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>58,298</b>	<b>68,471</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>58,298</b>	<b>68,471</b>

(c)

\*Meter Count as of 9/30/2025, including unmetered accounts of approximately 1,860 which are classified as 5/8"  
 \*\*Weighting deducts impact of GRAFT of 0.8691308

<b>PROOF OF REVENUE (Monthly Charge)</b>								
Annual Revenue		\$3,105,041	(a)					
Monthly Revenue		\$258,753	(b)=(a)/12					
Weighted No of Meters		68,471	(c)					
5/8" Meter Monthly Charge		\$3.78	(d)=(b)/(c)					

  

Meter Size	5/8" Equivalent	GMS		Resale		Exempt		Total Revenue
		Charge	Charge x Meters	Charge	Charge x Meters	Charge	Charge x Meters	
5/8	1.0	\$3.78	\$202,079.39	\$3.78	\$0.00	\$3.28	\$0.00	\$202,079.39
3/4	1.5	5.67	7,153.69	5.67	0.00	4.93	0.00	7,153.69
1	2.5	9.45	26,377.57	9.45	0.00	8.21	0.00	26,377.57
1-1/2	5.0	18.90	3,797.92	18.90	0.00	16.42	0.00	3,797.92
2	8.0	30.23	16,113.75	30.23	0.00	26.28	0.00	16,113.75
3	15.0	56.69	566.85	56.69	0.00	49.27	0.00	566.85
4	25.0	94.48	2,361.89	94.48	0.00	82.11	0.00	2,361.89
6	50.0	188.95	0.00	188.95	0.00	164.22	0.00	0.00
8	80.0	302.32	302.32	302.32	0.00	262.76	0.00	302.32
10	100.0	377.90	0.00	377.90	0.00	328.45	0.00	0.00
12	125.0	472.38	0.00	472.38	0.00	410.56	0.00	0.00
16	200.0	755.80	0.00	755.80	0.00	656.89	0.00	0.00
<b>Total</b>			<b>\$258,753.38</b>		<b>\$0.00</b>		<b>\$0.00</b>	<b>\$258,753.38</b>

  

**Note**

Base Wastewater Revenue (proposed per WR24010056)	\$44,371,724
Total PSTAC Revenue per WR23110791 (per Stipulation)	17,729,086
<b>Subtotal</b>	<b>\$62,100,810</b>

5% Cap      \$3,105,041

New Jersey - American Water Company, Inc.  
 2nd Foundational Filing - WR24030203  
 WSIC Surcharge Reconciliation Calculation

Schedule B1

Effective Date	WSIC Surcharge	Approved Amount <sup>1</sup>	Monthly Amount	Months in Place	Allowed Revenues
5/30/2025	Filing #1	\$1,332,351	\$111,029	6.0	\$666,176
<b>Total Allowed Revenue</b>					<b>\$666,176</b>
Over/Under-Collection Prior WSIC Period		(\$47,256)	(\$3,938)	6	(\$23,628)
Total Billed - 6/1/25 through 11/30/25					615,717
<b>Total WSIC Shortfall / (Overage)</b>					<b>\$26,830</b>
Weighted Average Cost of Capital		<u>Annual</u> 7.1522%		<u>Daily</u> 0.0196%	
Interest per day				\$0	
Total Interest for period October 1, 2025 through November 30, 2025					\$0
<b>Total WSIC Shortfall / (Overage) with Interest</b>					<b>\$26,830</b>

<sup>1</sup> Approved Amount excludes any reconciliation amounts

<sup>2</sup> October & November estimated by using September billed amount.

Project ID	Project Title	Project Type	Act. Length (feet)	Act. Dia. (inches)	Actual Pipe Material	Existing		Accelerated Asset Investment Category	In Service Date	WSIC#1 Actual Cost	WSIC#2 Actual Cost	Paving Included	FF Comparison Date	FF Comparison	
						Decade Installed	Dia. (inches)							Existing Pipe Material	Cost
11183/11212	Regent Lift Station Improvements (A)	Replace	2,631	15	PVC	1950	8 Clay	Safety and Reliability/Structural	03/25/25	\$3,216,330	\$2,229,646		2027Q4/2024Q4	1,007,160	WR24030203
10803	2024 Long Hill C&L	Replace	13,280	14	Structural Liner	1960	14 Clay	Safety and Reliability/Structural	03/31/25	1,019,509	11,321,215		2024Q4	1,000,000	WR21060917
10735	Haddonfield- Haddon Avenue Phase 2	Replace	4,250	8	PVC	1940	8 Clay	Safety and Reliability	03/31/25	1,518,620	528,013	775,000	2025Q4	2,630,000	WR21060917
10753	OC- Merion Park Phase 1 (Somerset)	Replace	1,003	12	PVC	1950	8 Asbestos Cement	Safety and Reliability	03/27/25	4,020	231,541		TBD	308,125	WR21060917
10750/10788	OC- Merion Park Phase 3 (Westminister Lane)	Replace	1,003	8	PVC	1950	8 Asbestos Cement	Safety and Reliability	03/03/25	1,237,976	(69,189)	304,300	TBD	1,419,500	WR21060917
11269	OCNJ- 11th Street	Replace	452	8	PVC	1940	8 Clay	Safety and Reliability	12/09/24	267,103	26,105	28,350	>2027	341,000	WR24030203
6113	Lakewood - E 4th St: Negba-Ridge	Replace	1,226	10	PVC	1950	8 Clay	Safety and Reliability	12/20/24	1,168,505	210,225		2025Q4	575,000	WR21060917
10789/10790	OC- Merion Park Phase 2	Replace	1,003	12	PVC	1950	8 Asbestos Cement	Safety and Reliability	09/29/25		2,392,192		TBD	676,000	WR21060917
									Total	\$8,432,062	\$16,869,848				

Manhole Replacements			
Project	District	UPIS	Quantity
R18-21F1	Haddonfield WW	\$4,558	-
R18-22F1	Ocean City WW	\$229,876	4
R18-23F1	Lakewood/Howell WW	\$35,837	-
R18-36F1	Egg Harbor City WW	\$16,550	6
R18-37F1	Somerset/Mercer WW	\$3,821	1
	Total Manhole Replacements	\$286,820	10

Lateral Replacements			
Project	District	UPIS	# Laterals
R18-21H1	Haddonfield WW	\$170,858	17
R18-22H1	Ocean City WW	\$525,713	11
R18-23H1	Lakewood/Howell WW	\$287,352	6
R18-34H1	Mount Ephraim WW	\$25,575	4
R18-35H1	Long Hill WW	\$33,210	1
R18-36H1	Egg Harbor City WW	\$124,793	5
R18-37H1	Somerset/Mercer WW	\$643,240	9
	Total Service Replacements	\$1,810,742	53

Unscheduled Main Replacements			
Project	District	UPIS	Feet of Main
R18-21C1	Haddonfield WW	\$8,350	-
R18-22C1	Ocean City WW	\$386,687	309
R18-23C1	Lakewood/Howell WW	\$6,154	
R18-36C1	Egg Harbor City WW	\$16	1
R18-37C1	Somerset/Mercer WW	\$169,934	25
	Total Unscheduled Main Replacements	\$571,141	335

"Base" Utility Plant in Service		
Project	District	UPIS
R18-37B1.22-P-0002	Bound Brook I&I Study/SmartCovers	\$131,900
R18-24B1.24-P-0001	Pottersville C&L	\$568,026
I18-230038-01	Yellowbrook Station Sanitary Reloca	\$2,058,685
I18-230039-01	A Country Place SS Rehab	\$6,568,859
	Cumulative Base Spend Filing #1 & #2	\$9,327,470
	Less: Filing #1 Base Spend	(\$131,900)
	Total Base UPIS Spend Filing #2	\$9,195,570

PUBLIC VERSION

Operating Revenues*	[REDACTED]
Operation and Maintenance Expense	[REDACTED]
Depreciation and Amortization Expense*	[REDACTED]
Taxes, Other*	[REDACTED]
Operating Income Before Income Taxes	[REDACTED]
Federal Income Taxes	[REDACTED] (A)
Total Utility Operating Income	[REDACTED] (B)
Rate of Return (B/C)	[REDACTED]
Authorized Rate of Return per WR24010056	7.1522%
Current UOI at Authorized ROR	[REDACTED]

(A) Federal Income Tax Calculation:

Operating Income Before Income Taxes Above	[REDACTED]
Less Interest Expense:	
Rate Base @ 9/30/25	[REDACTED]
Add DSIC Additions*	[REDACTED]
Add WSIC Additions*	[REDACTED]
Add RESIC Additions*	[REDACTED]
Adjusted Rate Base	[REDACTED] (C)
Times Weighted Cost of Debt @ 9/30/2025	[REDACTED] (D)
Interest Expense (Cx D)	[REDACTED]
Taxable Income	[REDACTED]
Times Income Tax Rate	[REDACTED]
Federal Income Tax	[REDACTED] (A)

\* Total amounts include normalization and annualization adjustments