NEW JERSEY AMERICAN WATER

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July 13, 2026

Hon. Sherri L. Lewis, RMC
Secretary to the Board
Board of Public Utilities
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625

Re: I/M/O the Petition of New Jersey-American Water Company, Inc. for Recovery of Regulatory Asset Established for Incremental Covid-19 Related Expenses, and for Establishment of an Uncollectible Adjustment Clause BPU Docket No. WR23050275

Dear Secretary Lewis:

New Jersey-American Water Company, Inc. ("NJAWC" or the "Company") is electronically filing this letter submission and attachments with the New Jersey Board of Public Utilities ("Board") in accordance with the Board's Order in the above-referenced proceeding dated May 22, 2024 ("Order").

In the Order, the Board approved NJAWC's adoption of a Special Program Charge ("SPC") to recover incremental COVID-19 related expenses that were deferred for recovery pursuant to the Board's Orders dated July 2, 2020 and December 21, 2022 at Docket No. AO20060471. Specifically, NJAWC was authorized to recover $14,204,102 in incremental COVID-19 related expenses through the SPC beginning no later than June 1, 2024 over a three-year period. In the January 14, 2026 Board Order approving the Company's first reconciliation filing, the recovery amount was updated to $14,168,071, or $4,722,690 annually for three years, to account for additional Low Income Household Water Assistance Program (LIHWAP) funds received after March 31, 2024.

In this filing, the Company is proposing to change the SPC rate to include an under collection of $659,440 during the first and second annual SPC recovery periods of June 1, 2024 through May 31, 2026, as well as the associated interest in the amount of $31,587 over the next twelve-month recovery period. If approved, the Company will modify the SPC from $0.0639 per thousand gallons to $0.0682 per thousand gallons for GMS customers and from $1.22 per month to $1.24 per month for non-GMS customers as those classifications are defined within Rate Schedule O-3 of the Company's tariff. An average GMS customer using 5,642 gallons of water per month will see a $0.02 increase to the SPC on their bill from $0.36 per month to $0.38 per month.

This filing includes the following attachments:

- Attachment A – SPC Annual Recovery Calculation;
- Attachment B – Redlined and Final Rate Schedule O-3 Tariff Sheets; and
- Attachment C – Notice of Filing and Notice of Public Hearings

Further, the Company is proposing that if future SPC adjustments are required, rate changes would be handled via a reconciliation filing similar to the instant filing.

Thank you for your attention and consideration of this matter. If you have any questions regarding this filing, please do not hesitate to contact me.

Respectfully submitted,

Teresa K. Harrold
Counsel

TKH:dlc
Enc.

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

I/M/O the Petition of New Jersey-American Water Company, Inc. for Recovery of Regulatory Asset Established for Incremental Covid-19 Related Expenses, and for Establishment of an Uncollectible Adjustment Clause – SPC Surcharge and Reconciliation
BPU Docket No. WR25080467

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I/M/O the Petition of New Jersey-American Water Company, Inc. for Recovery of Regulatory Asset Established for Incremental Covid-19 Related Expenses, and for Establishment of an Uncollectible Adjustment Clause – SPC Surcharge and Reconciliation
BPU Docket No. WR25080467

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New Jersey-American Water Company, Inc.
Special Program Charge ("SPC")
Annual Recovery Calculation

Attachment A

Line No.	Deferred Costs Desription	Total Surcharge Amount
1		
2	COVID-19 Regulatory Asset Cost, net[1]	$14,168,071
3	Recovery Period - in years	3
4	Total Annual Recovery Amount	$4,722,690
5		
6	Reconciliation under/(over) collected for 6/1/2024-5/31/2026	659,440
7	Interest on under/(over) collected amount[5]	31,587
8	Total Annual Recovery Amount, including reconciliation	5,413,718
9		
10		
11	**Docket No. WR24010056 - Revenue Allocation**	
12		

13	Classification	Total Revenue	Percent
14	Rate Schedule - GMS	$805,593,959	80.69%
15	Rate Schedule - Non-GMS	192,773,114	19.31%
16	Total	$998,367,073	100.00%
17			
18			
19			
20	**Rate Design - Surcharge per classification**		
21			

22	Classification	Customer Count at 5/31/2026	Usage(TG) - 12 months[2]	Annual Surcharge Amount	Annual Rate per Customer[3]	Monthly Surcharge Rate	Monthly Impact[4]
23	Rate Schedules - GMS		64,036,578	$4,368,392	$0.0682	$0.06820	$0.38
24	Rate Schedule - Non-GMS	70,088		1,045,326	$14.91	$1.24	$1.24
25				$5,413,718			
26							

27 [1] The Company updated its total deferral amount for subsequent LIHWAP funds received through July 2024.

28 [2] Usage for the twelve-months ended May 31, 2026.

29 [3] GMS is the rate per 1,000 gallons. Non-GMS is the cost per customer.

30 [4] GMS impact using the average monthly customer usage of 5,642 gallons.

31 [5] Customer Deposit interest rate per Stipulation at five-year Treasury rate of 4.19% plus 60 basis points totaling 4.79% as of June 30, 2026.

32

33

NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Water

Fourth Revised Sheet: No. 40.3
Superseding Third Revised Sheet: No. 40.3

Deleted: Third
Deleted: Second

RATE SCHEDULE O-3
SOCIETAL PROGRAMS

APPLICABILITY
Applicable to all water and wastewater customer classes served by the Company in all service areas taking water service under Rate Schedules A-1 through A-18 (GMS) and C, D, E, F, G, H, I, J, L-1 through L13, M-1 through M-12, and wastewater service under Rate Schedules 1-A through 13-A, 16-A, and 21-A (non-GMS).

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

RATE

SPECIAL PROGRAM CHARGE (SPC)

In addition to all other charges for GMS and non-GMS water and wastewater service, an SPC charge will apply for three years beginning June 1, 2024, to recover incremental costs incurred during the COVID-19 pandemic.

The SPC will be assessed as follows commencing _____, 2026, subject to annual reconciliation:

Deleted: February 1

GMS Rate Per 1,000 Gallons	Non-GMS Fixed Charge Per Month
$0.0682	$1.24

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Deleted: 22

TERMS OF PAYMENT

See Rate Schedules for applicable customer classes.

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

Deleted: August 1, 2025
Deleted: February 1, 2026
Deleted: January 14, 2026

Issued: July 15, 2026 Effective: _____

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. WR25080467 dated _____.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Water

Fourth Revised Sheet: No. 40.3
Superseding Third Revised Sheet: No. 40.3

RATE SCHEDULE O-3
SOCIETAL PROGRAMS

APPLICABILITY
Applicable to all water and wastewater customer classes served by the Company in all service areas taking water service under Rate Schedules A-1 through A-18 (GMS) and C, D, E, F, G, H, I, J, L-1 through L13, M-1 through M-12, and wastewater service under Rate Schedules 1-A through 13-A, 16-A, and 21-A (non-GMS).

CHARACTER
Continuous, except as limited by the “Standard Terms and Conditions”.

RATE

SPECIAL PROGRAM CHARGE (SPC)

In addition to all other charges for GMS and non-GMS water and wastewater service, an SPC charge will apply for three years beginning June 1, 2024, to recover incremental costs incurred during the COVID-19 pandemic.

The SPC will be assessed as follows commencing _____, 2026, subject to annual reconciliation:

GMS Rate Per 1,000 Gallons	Non-GMS Fixed Charge Per Month
$0.0682	$1.24

TERMS OF PAYMENT

See Rate Schedules for applicable customer classes.

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

NOTICE TO
NEW JERSEY-AMERICAN WATER COMPANY, INC. CUSTOMERS
Notice of a Filing and Public Hearing

I/M/O the Petition of New Jersey-American Water Company, Inc. for Recovery of Regulatory Asset Established for Incremental Covid-19 Related Expenses, and for Establishment of an Uncollectible Adjustment Clause

BPU Docket No. WR25080467

PLEASE TAKE NOTICE that on July 15, 2026, New Jersey-American Water Company, Inc. ("New Jersey-American Water" or "Company") made a reconciliation filing with the New Jersey Board of Public Utilities ("Board") seeking to increase its Special Program Charge ("SPC"). The SPC reflects the recovery of the Company's incremental COVID-19 related expenses.

The SPC was approved by the Board and set to allow the Company to recover $14,168,071 over a period of three (3) years beginning June 1, 2024, subject to an annual reconciliation.

The proposed monthly SPC applies to all eligible water customers, including private and public fire, and all eligible wastewater customers. The SPC is applicable to the following rate schedules: General Metered Service ("GMS") Rate Schedules A-1 through A-18; Rate Schedules C and D – Commodity Demand; Rate Schedule F – OIW; Rate Schedules E, H, I, and J; Rate Schedule G - SOS; Rate Schedules L-1 through L-13 – Private Fire Service; Rate Schedules M-1 through M-12 – Public Fire Service, and Rate Schedules 1-A through 13-A, 16-A, and 21-A – Wastewater Service (collectively, "non-GMS"). The rate schedules can be viewed by going to the Company's website at https://www.amwater.com/njaw/customer-servicebilling/your-water-and-wastewater-rates/ and clicking on the "New Jersey Rates" hyperlink under the heading New Jersey American Water Tariff. Rate schedules begin on page 36 of the PDF document.

The monthly SPC for GMS customers will be a volumetric charge of $0.0682 per thousand gallons, and the monthly SPC for non-GMS customers will be a flat fee of $1.24. **As a result, an average GMS customer using 5,642 gallons of water per month will see an increase in the**

SPC charge on their bill from $0.36 per month to $0.38 per month, and an average non-GMS customer will see an increase in the SPC charge on their bill from $1.22 per month to $1.24 per month.

Any relief determined by the Board of Public Utilities to be just and reasonable may be applied by the Board in such a manner as it may deem appropriate.

PLEASE TAKE FURTHER NOTICE the virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Petition:

Date:
Times:

Link:

1) Type the link address into your web browser.
2) When prompted, select **Continue on this browser** or **Join on the Teams app** if you have the Teams app. You don't need to install the Teams app to join the meeting. You can join Teams for web on Microsoft Edge or Google Chrome.
3) You may be prompted to give Teams access to your microphone and camera. When you select **Allow**, you can always turn off your mic and camera once you join the meeting.
4) Select **Join now**.
5) You will enter the meeting lobby; wait for someone in the meeting to admit you.

Or

Dial-In Number:
Phone Conference ID:

Notice of the reconciliation filing was served on the clerk, executive or administrator of each municipality and county within the Company's service area. Such notice has also been served, together with the reconciliation filing and all exhibits, upon the Director of the New Jersey Division of Rate Counsel ("Rate Counsel"). A copy of the reconciliation filing is also available for

inspection on the Company's website at https://amwater.com/njaw/Customer-ServiceBilling/Your-Water-and-Wastewater-Rates/regulatory-proceedings.

Representatives from the Company, Board Staff, and Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the link or dial-in information set forth above to express their views on the filing. All comments will become part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, at least forty-eight (48) hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's Document Search tool, https://publicaccess.bpu.state.nj.us. Comments are considered public documents for purposes of the State's Open Public Records Act. Only submit public documents using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may be filed electronically via the Board's e-filing system or by email to the Secretary of the Board, Sherri L. Lewis. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage, https://www.nj.gov/bpu/agenda/efiling/.

Emailed and/or written comments may also be submitted to:

Sherri L. Lewis, Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Email: board.secretary@bpu.nj.gov

Additional information and copies of the Petition may be obtained at the Board's offices located at 44 South Clinton Avenue, 1st Floor, Trenton, NJ 08625. Any members of the public who wish to inspect the Petition at the Board should contact the Board's Division of Case Management at (609) 292-0806 or board.secretary@bpu.nj.gov.

BY: MARK K. McDONOUGH
President
NEW JERSEY-AMERICAN WATER COMPANY, INC.
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