



November 19, 2024

Via Electronic Mail

Hon. Sherri Golden, Secretary
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Re: I/M/O the Petition of New Jersey-American Water Company, Inc. Approval of Proposed Cost Recovery of Lead Service Replacement Plan Fifth Surcharge Filing BPU Docket No. WR22010017

Dear Secretary Golden:

Enclosed for filing on behalf of New Jersey-American Water Company, Inc. (the “Company” or “NJAWC”) in the above-referenced matter, please find the Company’s Lead Service Line Replacement (“LSLR”) charge calculation for the May 1, 2024 to October 31, 2024 LSLR Recovery Period (the “Fifth LSLR Plan Surcharge Filing”).

Separately, the Company recognizes that the calculation results for the Fifth LSLR Plan Surcharge Filing exceed the noticed bill impact. Therefore, the Company is limiting the proposed fixed surcharge for the non-GMS customers to the maximum noticed bill impact amount. Any under- or over-collection will be included in the annual (calendar year) reconciliation.

The Fifth LSLR Plan Surcharge Filing consists of the following:

- A. Customer-side lead service line replacement summary (Schedule A)
- B. The LSLR Surcharge Plan Filing surcharge calculation (Schedule B)
- C. Rate Schedule O-2, Lead Service Line Replacement Charge (Fourth Revised Sheet No.40.2) – with an effective date of January 1, 2025 (Schedule C)

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

Respectfully submitted,


Stephen R. Bishop

SRB:dlc
Enc.

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

**I/M/O the Petition of New Jersey American Water Company, Inc. for
Approval of Proposed Cost Recovery of Lead Service Replacement Plan
BPU Docket No. WR22010017**

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Customer Lead Service Line Replacement - Docket No. WR22010017

Summary of Replacements - May 2024 through October 2024

Line No.	Area Location	No. of Replacements*
1	Absecon	24
2	Asbury Park	5
3	Audubon	29
4	Barrington	10
5	Bay Head	1
6	Belvidere	1
7	Berkeley Heights	1
8	Bernards Twp	1
9	Beverly	8
10	Bound Brook Borough	19
11	Bradley Beach	2
12	Bridgewater Twp	2
13	Camden	13
14	Carneys Point	8
15	Chatham Twp	2
16	Cherry Hill	1
17	Clark Twp	2
18	Cranford Twp	3
19	Delanco	1
20	Delran	1
21	Dunellen Borough	4
22	Edgewater Park	1
23	Egg Harbor City	32
24	Egg Harbor Twp	2
25	Fair Haven	2
26	Fanwood	1
27	Franklin Twp	1
28	Frenchtown Borough	5
29	Galloway	3
30	Gibbsboro	2
31	Haddon Heights	18
32	Haddonfield	17
33	Hainesport Twp	8
34	Harrison Twp	2
35	Hazlet	4
36	Hillside	9
37	Irvington	517
38	Kenilworth	3
39	Lakewood	8
40	Laurel Springs	6
41	Lavallette	2
42	Linden City	7

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Summary of Replacements - May 2024 through October 2024

Schedule A

Line No.	Area Location	No. of Replacements*
43	Lindenwold	4
44	Linwood	8
45	Little Falls	1
46	Little Silver	4
47	Long Branch	5
48	Lumberton Twp	3
49	Magnolia	1
50	Mantoloking	4
51	Manville Borough	1
52	Maplewood	36
53	Middle Twp	19
54	Middletown	18
55	Millburn	6
56	Monmouth Beach	1
57	Mount Holly Twp	45
58	Mountainside Borough	2
59	Mt Ephraim	2
60	Mt Olive	2
61	Neptune	1
62	North Caldwell	1
63	North Plainfield Borough	25
64	Northfield	52
65	Oaklyn	9
66	Ocean	2
67	Ocean City	77
68	Oceanport	3
69	Pennsauken	1
70	Piscataway Twp	2
71	Plainfield City	159
72	Pleasantville	180
73	Princeton Borough	7
74	Princeton Twp	4
75	Raritan Borough	1
76	Riverside	9
77	Riverton	4
78	Roselle Borough	8
79	Roselle Park Boro	4
80	Rumson	15
81	Runnemede	4
82	Salem City	2
83	Scotch Plains Twp	4
84	Shrewsbury	21

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Summary of Replacements - May 2024 through October 2024

Schedule A

Line No.	Area Location	No. of Replacements*
85	Somers Point	10
86	Somerville Borough	2
87	South Bound Brook Borough	23
88	South Plainfield Boro	2
89	Southampton Twp	2
90	Springfield	1
91	Stratford	1
92	Summit	5
93	Tinton Falls	1
94	Toms River	4
95	Union Twp	22
96	Upper Twp	4
97	Voorhees	2
98	Washington Borough	9
99	West Orange	17
100	West Windsor Twp	2
101	Westfield	10
102	Woodland Park	1
Total		1,663

*No. of Replacements at time of filing does not necessarily reflect all replacements due to timing of reporting.
The Company will update the number of replacements for the period in the respective annual reconciliation filing.

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Surcharge Filing #5 - Effective 1/1/2025

Schedule B

Line No.	Deferred Costs Description	Total Surcharge Amount
1	<i>Replacement Costs for the period 5/1/2024-10/31/2024</i>	
2	Customer Lead Service Lines - Replacements	\$27,568,394
3	Customer Lead Service Lines - Communication	879,872
4	Deferred Debt cost ¹	315,909
5	Total O&M Expense, including debt	\$28,764,175

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7
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9 ¹ Cost of Debt per the Company's base rate cases

10	Docket No.	Annual	Effective Date
11	WR22010019	3.9018%	9/1/2022
12	WR24010056	4.1604%	9/15/2024

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15 **Docket No. WR24010056 - Revenue Allocation**

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17	Classification	Total Revenue	Percent
18	Rate Schedule - GMS	\$807,225,364	87.12%
19	Rate Schedule - Non-GMS	119,334,473	12.88%
20	Total	\$926,559,837	100.00%

21
22

23 **Rate Design - Surcharge per classification**

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25	Classification	Customer Count at 10/31/2024	Usage(TG) - 6 months ²	Semi- Annual Surcharge Amount	Semi - Annual Rate per Customer ³	Monthly Surcharge Rate	Monthly Impact ⁴
26	Rate Schedules - GMS		39,406,522	\$25,059,549	\$0.6359	\$0.6359	\$3.59
27	Rate Schedule - Non-GMS ⁵	13,138		3,704,626	\$281.98	\$21.24	
28				\$28,764,175			

29 ² Usage for the six-months ended October 31, 2024

30 ³ GMS is the rate per 1,000 gallons. Non-GMS is the cost per customer.

31 ⁴ GMS impact using the average monthly customer usage of 5,642 gallons.

32 ⁵ Monthly surcharge amount exceeded noticed amount. Surcharge implemented is limited to the maximum noticed bill impact amount of \$21.24.

RATE SCHEDULE O-2
LEAD SERVICE LINE REPLACEMENT CHARGE**APPLICABILITY**

Applicable to all water customer classes served by the Company in all service areas for water service taking service under Rate Schedules A-1 through A-16 (GMS) and C, D, E, F, G, H, I, J, and L-1 through L12 (non-GMS). The Lead Service Line Replacement Charge is designed to recover project costs associated with replacing customer-owned lead service lines.

CHARACTER

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

LEAD SERVICE LINE REPLACEMENT CHARGE (LSLRC)

In addition to all other charges for GMS and non-GMS customers throughout the entire territory served, the following charges will be assessed as follows commencing January 1, 2025:

- For each surcharge period, revenue responsibility shall be assigned to GMS customers on a volumetric basis in the same proportion as total revenue requirements were assigned to GMS in the Company's most recently concluded base rate case. Then the balance of the revenue responsibility shall be assigned to non-GMS as a fixed per customer surcharge based on the aggregate customer count of non-GMS customers.
- The non-GMS customer count and GMS volumetric usage will be updated with each surcharge filing. The non-GMS customer count will be updated to reflect the count at the end of the month prior to each surcharge filing. The GMS usage will be updated to reflect the actual usage from the six-month period during which the costs were incurred.
- GMS and non-GMS LSLRC revenue requirement allocation percentages will be updated following each base rate proceeding during the LSLRC recovery period.

RATE

This charge is in addition to Rate Schedules A-1 through A-16 (GMS) and C, D, E, F, G, H, I, J, and L-1 through L12 (non-GMS). The surcharge amounts for GMS and Non-GMS customers are as follows:

<u>GMS</u> <u>Rate Per 1,000 Gallons</u>	<u>Non-GMS</u> <u>Fixed Charge Per Month</u>
\$ 0.6359	\$21.24

The recovery of these costs will be shown as a LSLRC surcharge on each customer's bill.

FILING

The LSLRC is authorized pursuant to N.J.S.A. 58:12A-40, et seq. (Lead Service Line Replacement Law) and the procedures for filing, approving and implementing the LSLRC are set forth therein, along with the Company's Lead Service Line Replacement Plan, which was reviewed and approved by the Board of Public Utilities in BPU Docket No. WR22010017 on October 12, 2022, and the BPU Order approving said Plan.

The approval process for implementing this surcharge includes public notice and hearing. The notice included a proposed surcharge amount based on the actual project costs associated with the replacement of customer-owned lead service lines incurred by the Company between July 1, 2020 and October 31, 2022, as well as estimated surcharge amounts for the first five years of the lead service line replacement program, which were estimated based on estimated construction schedules, costs and other factors described in the approved Lead Service Line Replacement Plan. Pursuant to the approved Lead Service Line Replacement Plan, the Company shall endeavor to make semi-annual LSLRC filings at approximately six-month intervals. In addition, to ensure that customers are surcharged the proper amount, the Company will reconcile any over- or under-collections on an annual basis as part of its surcharge filings.

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.

Issued: November 19, 2024

Effective: January 1, 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. WR22010017 dated October 12, 2022.