



November 17, 2025

Via Electronic Mail

Hon. Sherri Lewis, 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 Seventh Surcharge Filing BPU Docket No. WR22010017

Dear Secretary Lewis:

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, 2025 to October 31, 2025 LSLR Recovery Period (the “Seventh LSLR Plan Surcharge Filing”).

For the Seventh LSLR Plan Surcharge Filing, the Company is proposing to use the rate design agreed to by the parties in a Stipulation to Amend Settlement in this matter that was filed with the Board of Public Utilities for consideration on October 21, 2025.

The Seventh 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. Annual reconciliation of under/(over) collection of revenue (Schedule C)
- D. Rate Schedule O-2, Lead Service Line Replacement Charge (Sixth Revised Sheet No.40.2) with an effective date of January 1, 2026 (Schedule D) in clean and redlined formats.

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.)

Customer Lead Service Line Replacement - Docket No. WR22010017

Summary of Replacements - May 2025 through October 2025

Line No.	Area Location	No. of Replacements*
1	Absecon	1
2	Asbury Park	6
3	Audubon	18
4	Barrington	28
5	Bay Head	1
6	Bellmawr	12
7	Belvidere	3
8	Bernards Twp	1
9	Beverly	1
10	Bound Brook Borough	1
11	Bradley Beach	3
12	Bridgewater Twp	1
13	Camden	5
14	Carneys Point	3
15	Cinnaminson	1
16	Clark Twp	1
17	Cranford Twp	3
18	Deal	1
19	Delanco	3
20	Eatontown	3
21	Edgewater Park	1
22	Egg Harbor City	34
23	Egg Harbor Twp	2
24	Fair Haven	5
25	Galloway	1
26	Haddon Heights	14
27	Haddonfield	18
28	Harrison Twp	1
29	Hazlet	1
30	Hillside	5
31	Hi-Nella	6
32	Interlaken	1
33	Irvington	112
34	Kenilworth	4
35	Lakewood	2
36	Laurel Springs	5
37	Lawnside	2
38	Linden City	11
39	Lindenwold	3
40	Linwood	28
41	Little Falls	2
42	Little Silver	1

Customer Lead Service Line Replacement - Docket No. WR22010017

Summary of Replacements - May 2025 through October 2025

Line No.	Area Location	No. of Replacements*
43	Long Branch	28
44	Long Hill Twp	3
45	Lumberton Twp	1
46	Magnolia	11
47	Maplewood	129
48	Middle Twp	28
49	Middletown	18
50	Millburn	6
51	Mount Holly Twp	2
52	Mountainside Borough	2
53	Mt Ephraim	18
54	Neptune	10
55	Neptune City	6
56	New Providence	1
57	North Plainfield Borough	1
58	Northfield	23
59	Oaklyn	6
60	Ocean	12
61	Ocean City	99
62	Palmyra	2
63	Penns Grove	1
64	Pennsauken	1
65	Piscataway Twp	1
66	Plainfield City	8
67	Pleasantville	92
68	Plumsted Twp	2
69	Riverside	3
70	Riverton	2
71	Roselle Borough	28
72	Roselle Park Boro	8
73	Rumson	4
74	Runnemede	61
75	Salem City	3
76	Scotch Plains Twp	1
77	Shrewsbury	3
78	Somerdale	2
79	Somers Point	16
80	South Orange	1
81	South Plainfield Boro	4
82	Southampton Twp	1
83	Springfield	3
84	Stratford	2

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Summary of Replacements - May 2025 through October 2025

Schedule A

Line No.	Area Location	No. of Replacements*
85	Summit	27
86	Tinton Falls	3
87	Union Beach	3
88	Union Twp	21
89	Upper Twp	2
90	Washington Borough	6
91	Washington Twp	2
92	West Long Branch	2
93	West Orange	23
94	Westfield	4
95	Woodland Park	1
Total		1,102

*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 #7 - Effective 1/1/2026

Schedule B

Line No.	Deferred Costs Description	Total Surcharge Amount
1	<i>Replacement Costs for the period 05/1/2025-10/31/2025</i>	
2	Customer Lead Service Lines - Replacements	\$32,249,029
3	Customer Lead Service Lines - Communication	2,676,109
4	Deferred Debt cost ²	365,037
5	Total O&M Expense, including debt	\$35,290,175
6		
7	Reconciliation: Under-collection ³	\$545,825 (Schedule C)
8	Loan Forgiveness ⁷	(28,045,453)
9		
10	Total O&M expense, net	\$7,790,547

Docket No. WR24010056 - Revenue Allocation

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

Rate Design - Surcharge per classification

Classification	Customer Count at 10/31/2025	Usage(TG) - months ⁴	Semi- Annual Surcharge Amount	Semi - Annual Rate per Customer ⁵	Monthly Surcharge Rate	Monthly Impact ⁶
Rate Schedules - GMS		37,755,174	\$6,787,179	\$0.1798	\$0.1798	\$1.01
Rate Schedule - Non-GMS	12,931		1,003,368	\$77.59	\$12.93	
			\$7,790,547			

² Cost of Debt per the Company's base rate case, BPU Docket No. WR24010056 - 4.1604% effective date of 9/15/2024

³ The Company is proposing to recover under-collected amounts in surcharge filing #7.

⁴ Usage for the six-months ended October 31, 2025

⁵ GMS is the rate per 1,000 gallons. Non-GMS is the cost per customer.

⁶ GMS impact using the average monthly customer usage of 5,642 gallons.

⁷ Loan principle forgiveness, received in July 2025.

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Program to Date Reconciliation

Schedule C

2023 Calendar Year Surcharge Amount	\$20,119,996
2024 Calendar Year Surcharge Amount	<u>54,499,833</u>
Total Program Surcharge ¹	\$74,619,829
2023 Calendar Year Surcharge Billed	\$20,091,138
2024 Calendar Year Surcharge Billed	<u>53,982,865</u>
Total Program Surcharge Billed	\$74,074,003
Under/(Over) Collection to date- <i>Schedule B</i>	<u><u>\$545,825</u></u>

¹Total Program Surcharge amount excludes any reconciliation amounts

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-18, A-21 (GMS) and Rate Schedules C, D, E, F, G, H, I, J, and non-residential Private Fire Service customers on Rate Schedules L-1 through L-13 and L-15 (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, 2026:

- 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

<u>GMS</u> <u>Rate Per 1,000 Gallons</u>	<u>Non-GMS</u> <u>Fixed Charge Per Month</u>
\$ 0.1798	\$12.93

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. The Company subsequently filed an update to revise the estimated surcharge amounts for the first five years, resulting in a second public notice and hearing. 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 17, 2025

Effective: January 1, 2026

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 _____.

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

[Seventh Revised Sheet: No. 40.2](#)
Superseding [Sixth Revised Sheet: No. 40.2](#)

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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-18, A-21 (GMS) and [Rate Schedules C, D, E, F, G, H, I, J, and non-residential Private Fire Service customers on Rate Schedules L-1 through L-13 and L-15 \(non-GMS\)](#). 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, 2026](#):

Deleted: July 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

<u>GMS</u>	<u>Non-GMS</u>
<u>Rate Per 1,000 Gallons</u>	<u>Fixed Charge Per Month</u>
\$ 0.1798	\$12.93

Deleted: This charge is in addition to Rate Schedules A-1 through A-18, A-21 (GMS) and C, D, E, F, G, H, I, J, and non-residential L-1 through L-13 and L-15 (non-GMS). The surcharge amounts for GMS and Non-GMS customers are as follows:

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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. [The Company subsequently filed an update to revise the estimated surcharge amounts for the first five years, resulting in a second public notice and hearing.](#) 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.

Deleted: September 19, 2025

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Issued: [November 17, 2025](#)

Effective: [January 1, 2026](#)

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 [\[redacted\]](#).

**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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**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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