



January 16, 2025

**Via Email**

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

**Re: In the Matter of the Petition of New Jersey-American Water Company, Inc.  
for Approval to Change the Levels of its Purchased Water Adjustment  
Clause and Purchase Wastewater Treatment Clause  
BPU Docket No. WR24110850**

Dear Secretary Golden:

While responding to discovery during the pendency of this proceeding, New Jersey-American Water Company, Inc. (the “Company”) discovered several adjustments necessary to the schedules filed in support of its petition filed on November 15, 2024. Accordingly, we hereby submit this letter update to the petition and supporting schedules. Overall, the adjustments result in an increase to the as-filed proposed annual revenues from \$1,707,846 or 0.17%, to \$2,680,795 or 0.27%.

To properly reflect a carry-through of those adjustments the updates to the petition and schedules are itemized below; all other components of the Company’s original filing remain unchanged. The updates are as follows:

- Petition, first paragraph, last sentence: “The proposed rates in this Petition would increase annual revenues by ~~\$1,707,846 or 0.17%~~ \$2,680,795 or 0.27%.”
- Petition, page 3, paragraph 10, first sentence: “NJAWC proposes an increase to its PWAC rate of \$0.5289 per thousand gallons of water to a new PWAC rate of ~~\$0.5369~~ \$0.5396 per thousand gallons of water, as set forth within its present PWAC Rate Schedule O-1.”
- Petition, paragraph 10, first bullet: “For Lakewood Township, Ocean County, the rate per thousand gallons as reflected within PSTAC Rate Schedule 2-B will change from \$4.2215 per thousand gallons to ~~\$4.2470~~ \$4.4494 per thousand gallons.”

- Petition, paragraph 12, first sentence: “The PSTAC rate ~~decrease~~ increase for a typical residential wastewater treatment service customer in Lakewood Township, Ocean County utilizing 16,926 gallons of water in the winter quarter, would result in a ~~decrease~~ an increase in the average monthly bill of ~~\$2.10 or 2.82%~~ \$1.28 or 1.77%; the PSTAC rate increase for a typical residential wastewater treatment service customer in Ocean City, Cape May County utilizing 16,926 gallons of water in the summer quarter and 67,704 gallons of water per year, would result in an increase in the average monthly bill of \$5.40 or ~~7.10%~~ 6.23%.”
- Direct Testimony of Jamie D. Hawn, page 12, lines 1-2: “A. The proposed surcharge rates in this petition reflect a net increase to annual revenues by ~~\$1,707,846 or 0.17%~~ \$2,680,795 or 0.27%.”
- Schedule JDH-B, page 2 of 3: the rate on Lakewood PSTAC Rate Schedule 2-B is revised from \$4.2470 per thousand gallons to \$4.4494 per thousand gallons.
- Schedules JDH-5, JDH-11, JDH-15, and JDH-16 (attached hereto) reflect the updated calculations based on the above updates.

Very truly yours,

  
\_\_\_\_\_  
Stephen R. Bishop  
VP and General Counsel

SRB:dlc  
Enc.

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

**I/M/O the Petition of New Jersey American Water Company, Inc. to  
Change the Levels of its Purchased Water Adjustment Clause and  
Purchased Wastewater Treatment Adjustment Clause  
BPU Docket No. WR24110850**

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**I/M/O the Petition of New Jersey American Water Company, Inc. to  
Change the Levels of its Purchased Water Adjustment Clause and  
Purchased Wastewater Treatment Adjustment Clause  
BPU Docket No. WR24110850**

**Service List**

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**New Jersey-American Water Company, Inc.**  
**Statement of Pro Forma PSTAC**  
**PSTAC Year 4/1/2024-3/31/2025**

New Jersey-American Water Company, Inc.  
 BPU Docket No. WR24XXXXXX  
 Witness Responsible: Jamie D. Hawn

Schedule JDH-11  
 PWAC Filing Year: 4/1/2024 - 3/31/2025  
 Page 1

Line No.	(1) CALCULATION of PSTAC Rates for Year 4/1/24-3/31/25 Without Compression (regular calc.)	(2) Regular Calc.
1	<b>Lakewood Wastewater Service</b>	
2	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2025-3/31/2026 (Schedule JDH-10)	\$7,218,406
3		
4	PSTAC True-up from PSTAC Year 4/01/24-3/31/25 (Schedule JDH-5)	(52,185)
5		
6	sub-total (lines 2 + 4)	\$7,166,221
7		
8	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	0.9932
9		
10	PSTAC for Recovery (line 6 / 8)	\$7,215,285
11		
12	Total Projected Wastewater Service Sales subject to PSTAC (1000 gallons) (b)	1,621,644
13		
14	PSTAC per 1000 gallons (line 10 / 12) (c)	\$4.4494
15		
16		
17	<b>Adelphia Wastewater Service</b>	
18	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2025-3/31/2026 (Schedule JDH-10)	\$1,171,672
19		
20	PSTAC True-up from PSTAC Year 4/01/24-3/31/25 (Schedule JDH-7)	68,673
21		
22	sub-total (lines 18 + 20)	\$1,240,345
23		
24	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	0.9932
25		
26	PSTAC for Recovery (line 22 / 24)	\$1,248,837
27		
28	Total Projected Wastewater Service Sales subject to PSTAC (1000 gallons) (b)	150,102
29		
30	PSTAC per 1000 gallons (line 26 / 28) (c)	\$8,3199
31		
32		
33	<b>Ocean City Wastewater Service</b>	
34	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2025-3/31/2026 (Schedule JDH-10)	\$10,674,964
35		
36	PSTAC True-up from PSTAC Year 4/01/24-3/31/25 (Schedule JDH-9)	36,063
37		
38	sub-total (lines 34 + 36)	\$10,711,027
39		
40	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	0.9932
41		
42	PSTAC for Recovery (line 38 / 40)	\$10,784,361
43		
44	Total Projected Wastewater Service Sales subject to PSTAC (1000 gallons) (b)	308,509
45		
46	PSTAC per 1000 gallons (line 42 / 44) (c)	\$34,9564
47		
48		
49	<b>Elk Township Wastewater Service</b>	
50	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2025-3/31/2026 (Schedule JDH-10)	\$12,195
51		
52	PSTAC True-up from PSTAC Year 4/01/24-3/31/25 (Schedule JDH-9)	-
53		
54	sub-total (lines 50 + 52)	\$12,195
55		
56	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	0.9932
57		
58	PSTAC for Recovery (line 54 / 56)	\$12,278
59		
60	Total Projected Wastewater Service Sales subject to PSTAC (1000 gallons) (b)	3,069
61		
62	PSTAC per 1000 gallons (line 58 / 60) (c)	\$4,0008
63		
64		
65	<b>Somerville Wastewater Service</b>	
66	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2025-3/31/2026 (Schedule JDH-10)	\$2,094,660
67		
68	PSTAC True-up from PSTAC Year 4/01/24-3/31/25 (Schedule JDH-9)	-
69		
70	sub-total (lines 66 + 68)	\$2,094,660
71		
72	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	0.9932
73		
74	PSTAC for Recovery (line 70 / 72)	\$2,109,001
75		
76	Total Projected Wastewater Service Sales subject to PSTAC (1000 gallons) (b)	404,492
77		
78	PSTAC per 1000 gallons (line 74 / 76) (c)	\$5,2139
79		
80		
81	<b>Egg Harbor City Wastewater Service</b>	
82	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2025-3/31/2026 (Schedule JDH-10)	\$339,264
83		
84	PSTAC True-up from PSTAC Year 4/01/24-3/31/25 (Schedule JDH-9)	-
85		
86	sub-total (lines 82 + 84)	\$339,264
87		
88	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	0.9932
89		
90	PSTAC for Recovery (line 86 / 88)	\$341,587
91		
92	Total Projected Wastewater Service Sales subject to PSTAC (1000 gallons) (b)	76,018
93		
94	PSTAC per 1000 gallons (line 90 / 92) (c)	\$4,4935
95		

**Notes:**  
 97 (a) Uncollectible rate @ 0.41279% per Docket No. WR 24010056 and actual 2024 assessment rates @ 0.263129% (combined)  
 98 (BPU = 0.217589%, Rate Counsel = 0.045540%)  
 99 Gross-up factor (100% - (0.41279% + 0.263129%)) or 99.32%.  
 100 (b) See Schedule JDH-11, page 2 for explanation of Projected Sewer Sales.  
 101 (c) Gross-up for GRFT not applicable - wastewater treatment costs are deductible from Gross Receipts when computing GRFT.

New Jersey-American Water Company, Inc  
PWAC/PSTAC Filing Year 4/1/2024 -3/31/2024  
Calculation of Revenue Increase

**TOTAL REVENUES (Base + PWAC/PSTAC)**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Base Rate Revenues per BPU Order Doc. #WR24010056</u>			
Water - Schedule B, page 1 - <b>note (c)</b>	887,760,741		\$887,760,741
Sewer - Schedule B, page 1			
Adelphia Wastewater		1,624,970	1,624,970
Lakewood Wastewater		12,853,591	12,853,591
Ocean City Wastewater		7,209,636	7,209,636
Elk Township Wastewater		31,495	31,495
Somerville Wastewater		1,425,692	1,425,692
Egg Harbor City Wastewater		528,710	528,710
Other Wastewater Service not subject to PSTAC - Sch. B, pages 15-18		20,697,630	20,697,630
Total Base Rate Revenues per BPU Order	<u>887,760,741</u>	<u>44,371,724</u>	<u>932,132,465</u>
DSIC Rate Revenues per BPU Order Doc #WR24010056	<u>\$0</u>		<u>\$0</u>
Total DSIC Rate Revenues per BPU Order	<u>\$887,760,741</u>	<u>\$44,371,724</u>	<u>\$932,132,465</u>
<u>Pro Forma PWAC/PSTAC Present Rate Revenues per Current Filing</u>			
PWAC per Schedule JDH-3, Col.2, (In 23) + (In 31) - <b>note (a)</b>	\$45,408,361		\$45,408,361
PSTAC per Schedule JDH-11 (ref. cols and lines below) - <b>note (b)</b>			
Adelphia Wastewater - Col. 2, In 30		1,046,151	1,046,151
Lakewood Wastewater - Col. 2, In 14		6,845,770	6,845,770
Ocean City Wastewater - Col. 2, In 46		9,604,194	9,604,194
Elk Township Wastewater - Col. 2, In 62		12,278	12,278
Somerville Wastewater - Col. 2, In 78		2,108,981	2,108,981
Egg Harbor City Wastewater - Col. 2, In 94		341,587	341,587
Total Pro Forma PWAC/PSTAC Revenue Increase	<u>\$45,408,361</u>	<u>\$19,958,961</u>	<u>\$65,367,321</u>
<u>Total Present Rate Revenues (Base + DSIC + PWAC/PSTAC) per above</u>			
Water	\$933,169,102		\$933,169,102
Adelphia Wastewater		2,671,121	2,671,121
Lakewood Wastewater		19,699,361	19,699,361
Ocean City Wastewater		16,813,830	16,813,830
Elk Township Wastewater		43,773	43,773
Somerville Wastewater		3,534,673	3,534,673
Egg Harbor City Wastewater		870,297	870,297
Other Wastewater Service not subject to PSTAC		20,697,630	20,697,630
Total Present Rate Revenues	<u>\$933,169,102</u>	<u>\$64,330,685</u>	<u>\$997,499,786</u>
<u>Pro Forma PWAC/PSTAC Proposed Revenue Increase/(Decrease) per Current Filing</u>			
PWAC	\$928,407		\$928,407
PSTAC Adelphia		202,686	202,686
PSTAC Lakewood		369,515	369,515
PSTAC Ocean City		1,180,167	1,180,167
PSTAC Elk Township		(0)	(0)
PSTAC Somerville		20	20
PSTAC Egg Harbor City		0	0
Total Pro Forma PWAC/PSTAC Revenue Increase	<u>\$928,407</u>	<u>\$1,752,388</u>	<u>\$2,680,795</u>
<u>Pro Forma PWAC/PSTAC Proposed Revenue Incr/(Decr)% over current Total Present Rev.</u>			
PWAC	0.10%		0.10%
PSTAC Adelphia		7.59%	7.59%
PSTAC Lakewood		1.88%	1.88%
PSTAC Ocean City		7.02%	7.02%
PSTAC Elk Township		0.00%	0.00%
PSTAC Somerville		0.00%	0.00%
PSTAC Egg Harbor City		0.00%	0.00%
Total Pro Forma PWAC/PSTAC Revenue Increase %	<u>0.10%</u>	<u>2.72%</u>	<u>0.27%</u>

Notes: (a) Present rates per Schedule JDH-3 - per settlement, #WR23110791. Usage per JDH-3, lines 23 and 31.

(b) Present rates per Schedule JDH-11 - per settlement, #WR23110791. Usage per JDH-11.

(c) Approx. \$80m of base revenues are not subject to PWAC (Fire Service, Uninter. Manasquan Serv., Emergency/Backup Bulk Rates and Other Operating Revenues)

New Jersey-American Water Company, Inc.  
 PWAC & PSTAC Rate Filing - Bill Comparisons  
 Usage in Gallons, Usage Rates in 1000 gallons  
 Proposed Rates are Un-Compressed Rates

Schedule JDH-16  
 BPU Docket No. WR24XXXXXX

Service Area	Monthly Usage	Present Rates				Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/15/24		PWAC Eff. 4/1/24	DSIC Eff. 9/15/24		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Monthly Chg. 5/8"		
GMS A-1	5,642	\$22.65	\$8.8724	\$0.5289	\$0.00	\$75.69	\$908.28
GMS A-2 (SFR)	5,642	22.65	8.8724	0.5289	0.00	75.69	908.28
GMS A-16	5,642	22.65	4.4640	0.5289	0.00	50.82	609.84

Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Monthly Chg. 5/8"	Proposed	
				PWAC (a)	Proposed
				Usage Chg Rate	Monthly Bill
\$22.65	\$8.8724	\$0.00	\$0.5396	\$75.75	\$909.00
22.65	8.8724	0.00	0.5396	75.75	909.00
22.65	4.4640	0.00	0.5396	50.88	610.56

5/8" Customer			
Change			
Monthly	%	Annual	%
\$0.06	0.08%	\$0.72	0.08%
0.06	0.08%	0.72	0.08%
0.06	0.12%	0.72	0.12%

Adelphia	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/15/24		PSTAC Eff. 4/1/24		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$17.00	\$5.5730	\$6.9696		
Monthly Bill Calculation	5,642	\$17.00	\$31.44	\$39.32	\$87.76	\$1,053.12

Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Proposed	
			PSTAC	Proposed
			Usage Chg Rate	Monthly Bill
\$17.00	\$5.5730	\$8.3199		
\$17.00	\$31.44	\$46.94	\$95.38	\$1,144.56

5/8" Customer			
Change			
Monthly	%	Annual	%
\$7.62	8.68%	\$91.44	8.68%

Ocean City	Annual Usage	Summer Qtr. Usage	Present Rates			Present Monthly Bill	Present Annual Bill
			Base Rates Eff. 9/15/24		PSTAC Eff. 4/1/24		
			Sewer Usage Charge (b)	Minimum Service Charge (b1)	Service Charge (b1)		
Rates			\$3.7520	\$15.3000	\$31.1310		
Annual Bill Calculation	67,704	16,926	\$254.03	\$258.97	\$526.92	\$86.66	

Sewer Usage Charge (b)	Minimum Service Charge (b1)	Minimum Service Charge (b1)	Proposed	
			PSTAC	Proposed
			Usage Chg Rate	Monthly Bill
\$3.7520	\$15.3000	\$34.9564		
\$254.03	\$258.97	\$591.67	\$92.06	\$1,104.67

5/8" Customer			
Change			
Monthly	%	Annual	%
\$5.40	6.23%	\$64.80	6.23%

Notes: (b) Applicable to each month's current usage.  
 (b1) Applicable to prior year's summer quarter usage.

Lakewood	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/15/24		PSTAC Eff. 4/1/24		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$17.00	\$5.5730	\$4.2215		
Monthly Bill Calculation	5,642	\$17.00	\$31.44	\$23.82	\$72.26	\$867.12

Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Proposed	
			PSTAC	Proposed
			Usage Chg Rate	Monthly Bill
\$17.00	\$5.5730	\$4.4494		
\$17.00	\$31.44	\$25.10	\$73.54	\$882.48

5/8" Customer			
Change			
Monthly	%	Annual	%
\$1.28	1.77%	\$15.36	1.77%

Eik Township	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/15/24		PSTAC Eff. 9/15/24		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$17.00	\$5.5730	\$4.0008		
Monthly Bill Calculation	5,642	\$17.00	\$31.44	\$22.57	\$71.01	\$852.12

Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Proposed	
			PSTAC	Proposed
			Usage Chg Rate	Monthly Bill
\$17.00	\$5.5730	\$4.0008		
\$17.00	\$31.44	\$22.57	\$71.01	\$852.12

5/8" Customer			
Change			
Monthly	%	Annual	%
\$0.00	0.00%	\$0.00	0.00%

Somerville	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/15/24		PSTAC Eff. 9/15/24		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$0.00	\$3.4759	\$5.2139		
Monthly Bill Calculation	5,642	\$0.00	\$19.61	\$29.42	\$49.03	\$588.36

Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Proposed	
			PSTAC	Proposed
			Usage Chg Rate	Monthly Bill
\$0.00	\$3.4759	\$5.2139		
\$0.00	\$19.61	\$29.42	\$49.03	\$588.36

5/8" Customer			
Change			
Monthly	%	Annual	%
\$0.00	0.00%	\$0.00	0.00%

Egg Harbor City	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 6/02/25		PSTAC Eff. 6/02/25		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$12.50	\$4.2240	\$4.4935		
Monthly Bill Calculation	5,642	\$12.50	\$23.83	\$25.35	\$61.68	\$740.16

Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Proposed	
			PSTAC	Proposed
			Usage Chg Rate	Monthly Bill
\$12.50	\$4.2240	\$4.4935		
\$12.50	\$23.83	\$25.35	\$61.68	\$740.16

5/8" Customer			
Change			
Monthly	%	Annual	%
\$0.00	0.00%	\$0.00	0.00%

(a) Exempt PWAC rate of \$0.4690 per 1000 gallons.