

Gouveia, Susan

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From: Lashway, Lisa
Sent: Friday, January 09, 2015 4:11 PM
To: Canning, Sean; Gouveia, Susan
Subject: FW: Invitation Included: New Jersey American Water Rate Filing Seeks Recovery for \$775 Million in System Upgrades
Attachments: 2015 Rate Case.pdf

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From: Kevin.Watsey@amwater.com [mailto:Kevin.Watsey@amwater.com]
Sent: Friday, January 09, 2015 4:10 PM
Subject: Invitation Included: New Jersey American Water Rate Filing Seeks Recovery for \$775 Million in System Upgrades

Dear Officials

Attached you will find a copy of a press release just issued by New Jersey American Water regarding a rate filing we submitted to the New Jersey Board of Public Utilities (BPU) today.

Since the last rate increase in May 2012, the Company has continued to invest a substantial level of capital to upgrade facilities statewide while absorbing increased fuel, power, insurance and labor costs. Our investment will be in excess of \$775 million prior to any new rates being established in this case. **We have invested more than \$171 million in the infrastructure that serves your area of the state since our last rate increase.**

The proposed rate adjustment of 9.96%, which equates to 17 cents a day for the average customer, reflects the significant investment the Company has made in the State's water and wastewater infrastructure since its last rate increase.

It is important to note that rates will remain unchanged until this request undergoes extensive public scrutiny by the BPU, the New Jersey Division of Rate Counsel, and the Office of Administrative Law.

To learn more about the rate review process as well as the investments that have been made in our water system, I would like to invite you to join me at an informational breakfast meeting at New Jersey American Water's Short Hills facility located at 167 JFK Parkway in Millburn on January 19 at 8:00am. Representatives from our company will be on hand to provide you with details of the filing and answer any questions you may have. If you are unable to attend, feel free to send a representative.

For planning purposes, please RSVP to me if you plan to attend.

The entire filing, including supporting documents, is available on our website at www.amwater.com/njaw

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PRESS RELEASE



NEW JERSEY
AMERICAN WATER

January 9, 2015

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856-782-2371

New Jersey American Water Rate Filing Seeks Recovery for \$775 Million in System Upgrades

VOORHEES, NJ (January 9, 2015) – New Jersey American Water has filed a petition with the New Jersey Board of Public Utilities (BPU) for new rates seeking recovery of the significant investment the company has made in the State’s water and wastewater infrastructure since its last rate increase in 2012.

“In less than three years, we have invested more than \$775 million in infrastructure upgrades and replacements, including more than 160 miles of new water main,” said William Varley, president of New Jersey American Water. “At the same time, we reduced our business operating costs by approximately \$19 million.”

The new rate request would result in an increase of just under 17 cents per day for the average residential water customer, and raise revenues by approximately \$66 million, the smallest requested increase by the company in a decade. If approved, customers will continue to pay less than a penny a gallon for high-quality, reliable, 24-hour water service, and water would remain among the most affordable household utility bills.

Rates will remain unchanged until this request undergoes extensive public scrutiny by the BPU, the New Jersey Division of Rate Counsel, and the Office of Administrative Law. This vetting will include numerous interrogatories, public hearings and evidentiary hearings. This process, based on prior requests, can take a minimum of nine months. To increase transparency of the process, the company’s petition and its associated exhibits are being posted to www.newjerseyamwater.com.

The increased rates proposed in the rate petition are a request only. The New Jersey Board of Public Utilities will make the final decision regarding the actual percent of increase. Once a final decision has been made, customers will receive information in the mail and at the company’s website explaining the new rates.

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New Jersey American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.5 million people. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs approximately 6,600 dedicated professionals who provide drinking water, wastewater and other related services to an estimated 14 million people in more than 40 states and parts of Canada. More information can be found by visiting www.amwater.com.