NEW JERSEY
AMERICAN WATER

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8/3/15 Sec. Admin
Twp. Atty

July 30, 2015

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

TO ALL: MUNICIPAL CLERKS, CLERKS OF THE BOARDS OF CHOSEN FREEHOLDERS, COUNTY EXECUTIVE OFFICERS, COUNTY ADMINISTRATORS AND SALE FOR RESALE CUSTOMERS

Re: I/M/O the Petition of New Jersey American Water Company, Inc. for Authorization to Implement a Tariff Supplement Establishing a Distribution System Improvement Charge
BPU Docket No. WR12070669

Dear Sir/Madam:

Enclosed herewith for service upon you is a Public Notice of the filing of a Petition for approval of a foundational filing in support of the Distribution System Improvement Charge (DSIC) pursuant to N.J.A.C. 14:9-10.1, et seq. The petition includes a proposed surcharge to fund ongoing improvements to specific types of infrastructure investments. This proposed DSIC surcharge could result in an increase to existing water bills. As proposed, it is expected that the earliest a surcharge could be approved and implemented is the second quarter of 2016.

Please note the following date, time and location of the public hearing at which members of the public are invited to attend and express their views on the proposed rate increases:

6:00 PM on Wednesday, August 26, 2015
Howell Municipal Building
4567 U.S. 9 North
Howell, New Jersey 07731

RECEIVED
AUG - 3 2015
Mount Olive Township Clerk's Office

Very truly yours,

Frank X. Simpson

FXS:dlc
Enclosures

cc: Service list (via e-mail)
Hon. Irene Kim Asbury, Secretary, BPU (via certified mail)
Department of Law & Public Safety (via certified mail)
Division of Rate Counsel (via certified mail)
J.H. Buehrer & Associates (via regular mail)

I/M/O the Petition of New Jersey American Water Company, Inc. for Authorization to Implement a Tariff Supplement Establishing a Distribution System Improvement Charge
BPU Docket No. WR15060724
Service List

Valerie Haynes, Chief
Bureau of Information Mgmt.
Board of Public Utilities
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I/M/O the Petition of New Jersey American Water Company, Inc. for Authorization to Implement a Tariff Supplement Establishing a Distribution System Improvement Charge
BPU Docket No. WR15060724
Service List

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Vice President, Engineering
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Voorhees, NJ 0804

Bradford M. Stern, Esq.Law Offices of
Bradford M. Stern LLC
22 Lakeview Holw
Cherry Hill, NJ 08003

NOTICE OF PUBLIC HEARING
NEW JERSEY-AMERICAN WATER COMPANY, INC.
NOTICE OF FILING OF A PETITION FOR APPROVAL OF A
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
BPU Docket No. WR15060724

PLEASE TAKE NOTICE that on June 12, 2015, New Jersey-American Water Company, Inc. (the "Company"), pursuant to N.J.A.C. 14:9-10.1 et seq., filed a Petition with the Board of Public Utilities (the "Board" or "BPU") of the State of New Jersey seeking approval of a Foundational Filing to implement a Distribution System Improvement Charge ("DSIC"). A DSIC is a rate recovery mechanism to encourage and support accelerated rehabilitation and replacement of certain non-revenue producing, critical water distribution components. Such projects include main replacement and renewal, structural and non-structural main cleaning and lining projects, and the renewal of valves, hydrants and service connections. Its purpose is to enhance safety, reliability, water quality, systems flows and pressure, and/or conservation. A DSIC rate is interim, subject to refund, until the subsequent base rate case.

The Company's Petition consists of a Foundational Filing. The Foundational Filing lists the projects the Company believes are eligible for recovery through the DSIC surcharge for the period of 2015 through 2018. Please note that the Company proposes to collect a maximum DSIC revenue requirement of $34.8M annually, or no more than 5.0% of the utility's total water revenues established in the Company's most recent base rate case. The Company will implement the DSIC surcharge if, and when, it achieves specific levels of infrastructure investment and completes and places the facilities into service as required by N.J.A.C. 14:9-10.1 et seq.

The Company has proposed that the monthly DSIC surcharge be assessed to the following services and classes of customers based on the customer's meter size: General Metered Service; Optional Industrial Wholesale; Sales for Resale—Commodity Demand; Sales for Resale—Off-Peak; Sales for Resale—Peaking Service, as provided throughout the State of New Jersey. The maximum proposed rates shown below are expected to be assessed incrementally over a two-to-three year period, commensurate with the Company's actual DSIC program capital spending.

Any relief determined by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers of the Company in such manner and, in such amounts or percentages, as the Board may deem appropriate. The Board may choose to impose a greater portion of the increase on any present or future class or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount of percentage increase applicable to any of the foregoing. The maximum proposed monthly DSIC rates are contained in the Petition filed with the Board, as set forth below. These proposed rates are estimates and may change, however the maximum annual DSIC revenue requirement, $34.8M, or no more than 5.0% of the utility's total water revenues established in the Company's most recent base rate case cannot be exceeded.

PROPOSED DSIC SURCHARGE RATES BASED ON
METER SIZE and % INCREASE

General Metered Service
Maximum Monthly DSIC Surcharge:

Size of Meter	5/8" Equivalent*	Proposed Rates
5/8	**1.0**	**$3.54**
3/4	**1.5**	**$5.31**
1	**2.5**	**$8.84**
1-1/2	**5.0**	**$17.69**
2	**8.0**	**$28.30**
3	**15.0**	**$53.07**
4	**25.0**	**$88.45**
6	**50.0**	**$176.89**
8	**80.0**	**$283.03**
10	**100.0**	**$353.78**
12	**125.0**	**$442.23**
16	**200.0**	**$707.56**

*Based on American Water Works Association flow rates. A 5/8" meter is equivalent to one unit, whereas a 1-inch meter is equivalent to 2.5 units based on the amount of water that will flow through the meter size.

PLEASE TAKE FURTHER NOTICE that a public hearing on the Company's Petition has been scheduled for:

August 26, 2015 at 6 p.m. at the
Howell Municipal Building
4567 U.S. 9 N
Howell, NJ 07731

A Hearing Officer designated by the Board will preside over the public comment hearing. Members of the public are invited to attend and express their views on the proposed DSIC mechanism. Such comments will be made a part of the final record in the proceeding. Written comments may be submitted to the Hon. Irene Kim Asbury, Secretary, Board of Public Utilities, 44 S. Clinton Avenue, 7th Floor, Trenton, New Jersey 08625. Please include Docket Number WR15060724 in your comment letter.

Notice of the Petition was also served on the clerk, executive or administrator of each municipality and county in the service area of the Company. Further information and copies of the Petition may be obtained at the Board's offices located at 44 S. Clinton Avenue, 7th Floor, Trenton, New Jersey 08625 or at the Company's offices located at 1025 Laurel Oak Road, Voorhees, New Jersey 08043. The filing is available online at:
http://www.amwater.com/njaw/customer-service/rates-information.html

Please submit any requests for special accommodation at least 72 hours prior to this hearing to Frank X. Simpson at (856) 782-2351.