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New Jersey American Water Rate Filing Seeks Recovery for \$868 Million in System Upgrades

VOORHEES, N.J.--(BUSINESS WIRE)-- [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 into its water and wastewater infrastructure since its last rate adjustment in 2015.

"In less than three years, we have invested more than \$868 million in infrastructure upgrades, including over 1 million feet of water main, to ensure continued water quality, service reliability and fire protection for the more than 2.7 million people who depend on us every day," said Robert G. MacLean, president of New Jersey American Water. "Not only are these investments critical to the public's health and safety, but they also support the economic health of the communities we serve. This level of investment contributes to the creation of close to 14,000 jobs across the state."

Some of the company's critical infrastructure projects included in the rate request are as follows:

- | Expansion of the Oak Glen Water Treatment Facility to serve the needs of the company's Monmouth County service area.
- | Flood protection project at the Raritan-Millstone Water Treatment Facility to ensure the continued sustainability of the water supply for more than 1 million people in seven counties in Central New Jersey.
- | Construction of an iron removal facility in Toms River, Ocean County, as well as iron removal upgrades to other systems for improved water quality and service for customers.
- | Replacement of several aging, critical, large-diameter transmission mains in the Coastal region.
- | Conversion from chlorine gas to an on-site sodium hypochlorite generation system at the Delaware River Regional Water Treatment Plant to improve safety.
- | Needed system improvements to the Jumping Brook, Swimming River, Delaware River, Canoe Brook and Raritan-Millstone Water Treatment Plants.
- | Replacement or upgrades to dozens of wells, pumping stations and other critical facilities serving customers in service areas throughout the state.
- | Sewer system upgrades throughout the company's statewide service areas including sewer mains, lift stations and other infrastructure in Ocean City, Lakewood and Haddonfield.

In addition to these major projects, New Jersey American Water's investment into replacing or rehabilitating more than 200 miles of aging water mains is also included in this rate request. The company renewed aging water mains on a 90- to 100-year cycle, which achieves the level of investment specified by the state of New Jersey's newly approved Water Quality and Accountability Act.

"According to the latest report card issued by the American Society of Civil Engineers earlier this year, the nation's water infrastructure was graded a 'D' and the wastewater infrastructure was graded a 'D-plus.' As the provider of water and/or wastewater services to nearly one in three people in the state, New Jersey American Water is committed to [making needed investments](#) to proactively upgrade infrastructure to ensure reliable service," said MacLean.

MacLean added that New Jersey American Water's rates are based on the actual cost of providing water and wastewater service. "To help mitigate rate increases for customers, we work very hard to control our costs and operate as efficiently as possible," he said.

If approved as requested, the water bill for the average residential customer using 6,000 gallons of water a month would increase approximately 36 cents per day. The average residential wastewater bill would increase approximately 20 cents per day. Even with these increases, the cost of high-quality, reliable, 24-hour water and wastewater service would continue to be among the lowest 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 the Company's website, www.newjerseyamwater.com, under Customer Service, [Your Water Rates](#).

New Jersey American Water is seeking a total annual revenue increase of approximately \$129.3 million. 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 increase. Once a final decision has been made, customers will receive information on the new rates in the mail and on the company's website.

New Jersey American Water, a subsidiary of American Water, is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.7 million people. More information can be found at www.newjerseyamwater.com. With a history dating back to 1886, American Water (NYSE: AWK) is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. The company employs 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting www.amwater.com.

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