BEFORE THE
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
NEW JERSEY-AMERICAN WATER COMPANY, INC.
FOR APPROVAL OF INCREASED TARIFF RATES
AND CHARGES FOR WATER AND WASTEWATER SERVICE,
CHANGE IN DEPRECIATION RATES AND
OTHER TARIFF MODIFICATIONS

BPU Docket No. WR1709____

DIRECT TESTIMONY OF

DAVID FORCINITO

Exhibit PT-13

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1. Q. Please state your name and business address.

A. My name is David Forcinito and my business address is 213 Carriage Lane, Delran, NJ 08075.

2. Q. By whom are you employed and in what capacity?

A. I am employed by New Jersey-American Water Company, Inc. (hereinafter referred to as "NJAWC" or the "Company") as the Senior Director of Operations for the Southwest Operations which serves portions of Burlington, Camden, Gloucester and Salem Counties.

3. Q. What are your responsibilities in this position?

A. My responsibilities as Senior Director of Operations for Southwest Operations include overseeing all operations in this region, which includes three operating centers and comprises water distribution, water treatment and sewer collection systems. I am also responsible for ensuring that the Company meets its customers' needs, as well as enhancing the operating reliability and efficiency of the operations that I oversee. Finally, I am responsible for assuring that all functions of the Company are performed in compliance with all applicable laws and regulations and standards of good business practice.

4. Q. Please describe your educational background and professional associations.

A. I graduated from Widener University in 1989 with a Bachelor of Science Degree in Mechanical Engineering. I earned a Master's of Science Degree in Water Resources and Environmental Engineering from Villanova University in 1999. I am a registered

Professional Engineer in New Jersey. I currently hold T4, W4, C2, and S2 operator licenses from the New Jersey Department of Environmental Protection (NJDEP). I am a member of the American Water Works Association, the Water Environment Association, the American Society of Civil Engineers, and the American Society of Mechanical Engineers. I am a board member of the South Jersey Water Professional Association and a pending board member of the Water Resource Association of the Delaware River Basin.

5. Q. What has been your business experience?

A. In 1989, I was hired by NJAWC as an Engineer. In 1996, I transferred to operations where I worked as a Supervisor and then a Superintendent in the Production Department in our Coastal South Operations. In 2002, I became the Maintenance Manager for the Coastal North, Coastal South, and Delaware operating areas. I was responsible for managing all maintenance related activities in the Production Department. I became the Production Manager for the Southwest Operations in 2006. In 2014, I transferred to the Field Operations Department as a Manager and in 2017, I became the Senior Director of Operations for the entire Southwest Operations.

6. Q. Have you previously submitted testimony in regulatory proceedings?

A. No.

7. Q. What is the purpose of your testimony in this proceeding?

A. My testimony will review the operational benefits as well as the customer service enhancements resulting from NJAWC's acquisition of the Borough of Haddonfield's water system.

8. Q. Please describe some of the benefits resulting from NJAWC's acquisition and integration of the Haddonfield system.

A. NJAWC's acquisition of the Haddonfield water system allowed for the integration of that system with NJAWC's water distribution system. By interconnecting the Haddonfield system with the NJAWC system through multiple points of connections, the resiliency and water quality in both systems increased. Prior to the acquisition, there were only two interconnections (one bulk sale and one emergency) connecting the NJAWC and Haddonfield systems. The full integration of the two distribution systems resulted in ten additional connections being installed, bringing the total number of connections between the two systems to twelve. With the additional interconnections, the redundancy of supply feeding the Haddonfield system, as well as the resiliency of supply of both systems to withstand operational disruptions such as main breaks, increased. In addition, integrating the two systems resulted in the elimination of five dead-end water mains in the Haddonfield system and two dead-end mains in the NJAWC system. Dead-end water mains tend to have increased water age and are more prone to developing water quality issues. By eliminating dead-ends, water is able to flow continually and the potential for water quality issues in the distribution system is reduced, as are the customer complaints that can result.

9. Q. Please describe some of the benefits resulting from decommission Haddonfield's Centre Street water treatment plant.

A. NJAWC was able to decommission Haddonfield's Centre Street water treatment plant ("Centre Street WTP"). The Centre Street WTP is an iron filtration plant that was built in the early 1900's. The plant is located on a site shared with the Haddonfield Borough's Public Works Department in an unsecured area that is prone to periodic flooding. Moreover, the plant has limited automation and requires manual operation of its filtration process. Due to the condition of the plant and its location, NJAWC elected to decommission the Centre Street WTP and transfer the water allocation to an existing NJAWC allocation permit. The water demand requirements for the Haddonfield system are being met by existing NJAWC facilities in the surrounding areas. By decommissioning the Centre Street WTP, NJAWC eliminated the need to undertake a costly upgrade of the plant and bring it up to current Company standards. The decommissioning of the Centre Street WTP also benefits both the former customers of Haddonfield and the customers of NJAWC because their combined water supply needs are served by NJAWC's existing, surrounding facilities at a lower per customer cost.

10. Q. Please describe the effect of decommissioning the Cottage Avenue Standpipe.

A. This standpipe was constructed in 1899 and is located on a small lot between two residential homes. There were several concerns about the tank due to its size and location, including insufficient volume of equalization storage, insufficient volume of emergency storage, water quality issues related to excessive water age, and

overflow conveyance issues with associated risk of damage to adjacent residences. NJAWC elected to decommission the Cottage Avenue Standpipe and utilize existing storage facilities in the surrounding area to meet the storage demands of the system. Company Witness Shields also discusses this capital project in detail within his direct testimony.

11. Q. Has the Company realized operational benefits as a result of decommissioning the Cottage Avenue Standpipe?

A. By decommissioning this standpipe, the Company has improved the water age in the distribution system. Hydraulic analysis of the system showed that with the tank in service the maximum water age in the system could reach 9 to 10 days. Without the tank, the water age is reduced to 2 days. The Company also eliminated a safety hazard that could have impacted the residences around it. Finally, the need to recoat this tank has also been eliminated by its decommissioning.

12. Q. In addition to operational efficiencies and savings you discussed above, please describe what additional benefits our new, former Haddonfield customers are experiencing from the acquisition of the Haddonfield water and wastewater system.

A. The acquisition provided for the full integration of the Haddonfield water and wastewater systems into NJAWC's customer service system. As NJAWC customers, they now have access to our call center for emergency requests or customer inquiries. In addition, Haddonfield customers have access to the Company's automated Interactive Voice Response system as well as a variety of on-line services that assist

customers in managing their accounts. These services would include a variety of billing and payment options in addition to the Help to Others Program for those who qualify. These customers also now benefit from access to other American Water resources, such as its quality control and testing laboratory in Bellville, Illinois and American Water's security department, which oversees and advises on the protection of the Company's physical assets and electronic data, including customer information. Finally, these new customers also benefit from NJAWC's vast resource base that can quickly respond to any significant failure or emergency in a rapid fashion, statewide. NJAWC maintains an inventory of emergency response equipment as well as the expertise of American Water engineering, water quality and operational resources to respond to such events.

13. Q. Please describe operational benefits that NJAWC water customers have experienced as a result of the Haddonfield acquisition.

A. NJAWC's customers experience several benefits as a result of this acquisition. First, the water allocation permit issued to Haddonfield is located in Critical Area No. 2. Because the NJDEP prohibits new water supply allocations within this area, existing allocations are valuable. With the acquisition, the NJDEP approved the transfer of Haddonfield allocation limits an existing NJAWC permit. This transfer allows NJAWC to use the allocation across multiple facilities and over a broader service area rather than being limited to Haddonfield. This benefits not only customers of NJAWC outside of Haddonfield, but customers of other systems that buy water from NJAWC. Efficient use of water supply allocations is a benefit to the public at large

as well as a benefit to the customers of the company holding and managing the allocation.

Second, the addition of the Haddonfield system adds to NJAWC's economies of scale, creating additional value for all customers. For example, the per customer-cost of state-mandated water sampling requirements is reduced because these costs can now be spread over a larger customer base. Furthermore, water quality can be managed in a more holistic and efficient manner in the Southwest Region, rather than on an isolated, system-by-system basis, and customer complaints about water quality are reduced as a result.

Finally, economies of scale provides a market advantage: Material can also generally be purchased at a much lower cost through American Water's purchasing power.

14. Q. Does this conclude your direct testimony?

A. Yes, it does.