

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, AND  
OTHER TARIFF MODIFICATIONS

BPU Docket No. WR1912\_\_\_\_\_

**Direct Testimony of**

**CHERYL NORTON**

**Exhibit P-3**

**New Jersey-American Water Company, Inc.**  
**Direct Testimony of Cheryl Norton**

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NEW JERSEY-AMERICAN WATER COMPANY, INC.

**I. INTRODUCTION, SUMMARY AND PRESENTATION OF WITNESSES**

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

A. My name is Cheryl D. Norton, and my business address is 1 Water Street, Camden,  
New Jersey 08102.

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

A. I am the Senior Vice President of the Eastern Division of American Water Works  
Company, Inc. ("American Water") and President of New Jersey-American Water  
Company, Inc. ("New Jersey-American Water", "NJAWC" or the "Company").

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

A. As President of NJAWC, I am responsible for the development, management and  
operations of the NJAWC system throughout the State of New Jersey. Those  
responsibilities include: establishing and maintaining the standards of service,  
directing the priorities for investments in the system, ensuring the safety and  
integrity of the systems for the protection of the customers, employees and  
operations, revenue generation and protection, operations and maintenance  
budgets; and establishing controls to accomplish delivery of the approved budgets,  
making certain that necessary funding is available to carry out all plans. My  
responsibilities also entail developing and carrying out the business strategy for  
NJAWC and incorporating that strategy into its business plans. My goal is to ensure  
that all activities of the Company are carried out in compliance with all local, state  
and federal laws and regulations, and standards of good business practice.

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1 **4. Q. Please describe your educational background and business experience.**

2 A. Please refer to Appendix A for a summary of my educational background and  
3 business experience.

4 **5. Q. Have you previously testified in regulatory proceedings?**

5 A. Yes. I have previously testified in a number of regulatory proceedings including  
6 testimony before the Missouri Public Service Commission, Kentucky Public  
7 Service Commission and Illinois Commerce Commission.

8 **6. Q. What is the purpose of your testimony in this proceeding?**

9 A. The purpose of my testimony in this proceeding is to describe the reasons why the  
10 Company is seeking the requested relief in this filing, including the request to  
11 increase base rates and implement other regulatory tariff changes. Specifically, I  
12 will explain the primary reasons for the proposed revenue increase, the Company's  
13 regulatory proposals and how our cost recovery proposals in this case will support  
14 the more efficient use of water and investment in our system. I believe that it is  
15 important that the Board of Public Utilities ("Board" or "BPU") and all of our  
16 stakeholders understand the Company's contributions to the State of New Jersey in  
17 providing water service -- a critical service that is vital to our health, welfare and  
18 economic well-being.

19 My testimony will also address two intertwined concepts -- the Company's ongoing  
20 efforts to improve "water efficiency," and the impact of those efforts on the value  
21 and affordability of our service. Finally, I will discuss the Company's commitment

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1 to our customers and NJAWC's community outreach efforts and corporate  
2 citizenship, which are emblematic of who we are as a Company.

3 **7. Q. Please list NJAWC's witnesses in this case and a brief summary of their**  
4 **testimony.**

5 A. In addition to my Direct Testimony, the following witnesses provide testimony in  
6 support of the Company's Request:

7 8 9 10	Thomas Shroba:	will testify on the Company's operations, its commitment to water quality, environmental compliance, safety, improving water efficiency, as well as the Company's proposed staffing levels and compensation philosophy.
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11 12 13 14 15 16 17 18 19	Donald C. Shields:	will testify on the Company's capital investment planning process, the recovery of capital expenditures incurred since the Company's last rate case, the proposal regarding the replacement of customer-owned lead service lines, the plan for the engineered coating of steel structures, the customer benefits resulting from the acquisition of Roxbury Water Company, and some of the risks and challenges for water utilities associated with increased regulation and climate variability.
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20 21 22 23 24	John S. Tomac:	will testify on the Company's revenue requirement, rate base and capital structure, discuss the Company's proposal with respect to lead service line cost recovery and the net book value adjustment for acquisitions proposed in this proceeding, among other regulatory policy issues.
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25 26 27 28 29	Jamie D. Hawn:	will testify on the Company's request for recovery of expenses in this proceeding, the Company's pro forma adjustments to Operations and Maintenance ("O&M") expense, Taxes other than Income, Income Taxes and the proposed tariff modifications.
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30 31 32	John M. Watkins:	will testify on the Company's proposed Revenue Stabilization Mechanism ("RSM"), pension and other post-retirement benefits ("OPEB") trackers.
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33 34	Gregory P. Roach:	will testify on the weather normalized usage per customer, including the impact of declining use per customer.
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1 Charles B. Rea: will testify on the Company's cost of service, water and  
 2 wastewater rate design and post test-year revenues at  
 3 present rates.

4 Ann E. Bulkley: will testify on the reasonableness of the Company's cost of  
 5 equity and its capital structure.

6 Patrick L. Baryenbruch: will testify on the reasonableness of Service Company  
 7 costs.

8  
 9 Robert Mustich will testify on the reasonableness of the Company's  
 10 compensation program, and benchmarks the Company's  
 11 compensation expense against national and regional peer  
 12 groups.  
 13

14 Harold Walker will testify on the Company's cash working capital and the  
 15 lead/lag study.

16 **II. REASONS FOR RELIEF REQUESTED**

17 **8. Q. Why is the Company filing this rate case?**

18 A. New Jersey-American Water has provided service to our customers for over 130  
 19 years. Our customers rely on the Company to provide them with safe and reliable  
 20 water and wastewater services. We take very seriously our obligation to meet our  
 21 customers' needs and expectations, and I believe we are doing that on a daily basis.  
 22 Providing these services however requires us to make ongoing, significant capital  
 23 investments as well as to incur a substantial amount of operations and maintenance  
 24 ("O&M") expenses. This filing primarily reflects our capital investment to maintain  
 25 and improve our infrastructure, which is the main driver of this case. As Company  
 26 witness Mr. Donald Shields explains, the Company since the end of the test year in  
 27 the Company's last rate case, has invested or plans to invest approximately \$1.008  
 28 billion in its water and wastewater facilities through December 30, 2020.

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1 In addition to ongoing investments, the Company's overall revenue continues to lag  
2 behind. As Company witness Mr. John Watkins demonstrates, NJAWC has not  
3 been able to collect revenues authorized to set rates in 7 of the last 10 years,  
4 resulting in a net loss of over \$45 million in revenues over that same period. All  
5 the while, our efforts to slow and mitigate cost increases have been very successful.  
6 The Company's 2018 O&M expenses (excluding purchased water and sewer costs)  
7 were approximately \$14 million *lower* than 2010 O&M expenses. Even with the  
8 Company's proposed increase in this case, O&M expenses per customer are more  
9 than \$25 less than they were a decade ago. This is a remarkable achievement that  
10 we have been able to meet, in part, by prudent investments that permit us to work  
11 smarter and more efficiently.

12 **9. Q. Is it true then that this case is fundamentally about investment in**  
13 **infrastructure?**

14 A. Yes. NJAWC has and continues to manage its operations responsibly and  
15 effectively to uphold its continued commitment to provide safe, clean and reliable  
16 water and wastewater services to our customers at reasonable rates. Nearly 70% of  
17 the Company's proposed revenue increase is driven by investment in infrastructure.  
18 Those investments include improving the resiliency of the Company's distribution  
19 system and treatment plants, treatment changes to maintain regulatory compliance,  
20 technology investments that will integrate with existing systems to enhance service  
21 to customers, and management of source of supply and system demands. In total  
22 the Company has invested or plans to invest over \$785 million through June 30,

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1       2020, and projects that an additional \$222 million will be added to its plant in  
2       service balance by December 31, 2020. Of that amount, \$349 million is or will be  
3       recovered through the DSIC. In total, the Company will have invested  
4       approximately \$1.008 billion in capital improvements since the end of the test year  
5       in the Company's last rate case.

6       **10. Q. When were NJAWC's current rates approved?**

7       A. The Commission approved NJAWC's base rates in its Order effective October 29,  
8       2018 in Docket No. WR17090985. Those rates were based on a test period ended  
9       March 31, 2018. The test period in this case is the 12 months ending June 30, 2020  
10      ("Test Year").

11      **11. Q. What amount of rate relief is the Company seeking in this case?**

12      A. NJAWC is seeking \$87.8 million, a 12.3% increase over revenues authorized in our  
13      last rate case. As Company witness Mr. John Tomac explains, under our proposal  
14      the average increase in a customers water bill who uses 5,400 gallons per month  
15      would increase about \$6.46 per month or \$.21 cents per day. This request is based  
16      on a capital structure that includes a common equity component of 54.46 % and  
17      return on common equity of 10.50%. The proposed increase will provide the  
18      Company with an opportunity to recover its reasonable cost of service and earn a  
19      fair return on the capital invested in the system. NJAWC is fully committed to  
20      continued invement in the Company's operations at the level and in the manner  
21      necessary to continue to provide safe and reliable service for our customers over  
22      the long run, and is simply seeking the revenues to support doing so.



NEW JERSEY-AMERICAN WATER COMPANY, INC.**12. Q. Is the Company also seeking to recover its full employment costs?**

A. Yes, as explained further in my testimony, there is over \$10 million of compensation costs relating to performance pay that historically has not been recognized in rates. The Company must pay these costs to remain competitive in the job market to attract and retain skilled employees. As the Company witnesses Messrs. Mustich and Shroba demonstrate, New Jersey-American Water's total employee compensation is a reasonable, prudently incurred expense designed to keep the organization focused on delivering clean, safe, reliable and affordable water and wastewater service while improving performance at all levels of the organization. The testimony of Messrs. Mustich and Shroba establishes that New Jersey-American Water's compensation is designed to keep the organization focused on delivering clean, safe, reliable and affordable service while increasing efficiency, decreasing waste, and boosting overall productivity. They are manifestly just, reasonable and prudent expenses required to operate our business.

**13. Q. You mentioned that the Company has failed to achieve its authorized revenue in seven of the last 10 years. Is it appropriate to expect the Company to operate in an environment where it does not have a realistic opportunity to recover authorized revenues?**

A. No, it is not. As explained in the Direct testimony of Company witness Mr. Watkins, most of New Jersey-American Water's costs are fixed, while most revenue is variable, collected through volumetric rates charged on a per gallon basis. New Jersey-American Water is operating in a declining sales, rising costs

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1 environment. As a result, the Company's ability to invest in replacing necessary  
2 infrastructure proactively and improving efficiency has been constrained because  
3 NJAWC has not been provided with a realistic opportunity to collect its revenue  
4 requirement.

5 **14. Q. Please explain the consequences of operating under these constraints.**

6 A. New Jersey-American Water faces significant revenue-recognition lag under its  
7 current ratemaking structure, and as a result, has not received funding levels that  
8 best serve the long-term interests of its customers. Despite these constraints, the  
9 Company always makes sure that necessary funding is available to ensure the safety  
10 and integrity of the systems for the protection of the customers, employees and  
11 operations. We continue to maintain adequate sources of supply, treatment,  
12 pumping, transmission and distribution, and collection facilities, as well as to  
13 comply with applicable laws and regulations – that is our public service obligation.  
14 But the necessary funding level to ensure the safety and integrity of the systems is  
15 not the same as the funding levels that best serve the long term interests of our  
16 customers. From the perspective of long-term sustainable customer service and  
17 pricing, the Company's goal is to continue providing high quality water and sewer  
18 service in the most cost-effective way through the replacement, operation,  
19 maintenance, and rehabilitation of assets for present and future customers.

NEW JERSEY-AMERICAN WATER COMPANY, INC.**Capital Investment Proposals****15. Q. What proposals is the Company making related to its capital investment?**

A. In addition to seeking recovery for all post test year capital additions, the Company is also seeking cost recovery for its lead service line replacement program (“LSLR Program”) and recognition of acquisition adjustments for those systems that provide tangible benefits to our customers.

**16. Q. Why is the Company requesting recovery for all of its post-test year capital additions?**

A. As demonstrated by Mr. Shields, the Company has a track record of delivering its planned capital investment on a year to year basis. All these capital additions are important components of providing continued safe and reliable service to our customers. Since these investments will be completed by the time new rates go into effect or shortly thereafter, the Company should have the ability to recover its costs on these investments. In addition, as discussed by Mr. Tomac, it is appropriate to include all post-test year capital investments because they will match the capital structure proposed to fund these investments.

**17. Q. Please discuss the Company’s proposal for replacing customer owned lead service lines?**

A. Based on a growing body of research, the Company believes it is appropriate to remove lead from both the Company-owned and the customer-owned portion of the lead service line (including lead goosenecks) (“LSL”). By removing the entire LSL, a source of lead will be removed, further reducing the potential for exposure to lead

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1 in a customer's drinking water. Therefore, the Company proposes to replace  
2 Company and customer-owned LSLs at the same time in connection with the  
3 Company's water main replacement program. Replacing LSLs in conjunction with  
4 main replacements is the most cost-effective, efficient, and responsible way to  
5 continue the Company's main replacement program while addressing the health  
6 and safety concerns associated with partial LSL replacements. Company witnesses  
7 Messrs. Shields and Tomac further address the LSLR Program in Direct Testimony.

8 **18. Q. Please discuss the Company's request for recognition of an acquisition**  
9 **adjustment in connection with the recent acquisition of the Roxbury Water**  
10 **Company ("Roxbury").**

11 A. Roxbury was acquired for a purchase price of \$4.5 million. The acquisition of  
12 Roxbury, however, benefits existing customers by allowing the Company to avoid  
13 approximately \$8 million in capital costs for a necessary interconnection due to  
14 Roxbury's location. Indeed, the acquisition allows the Company to acquire  
15 additional groundwater supply for legacy customers from a region where it is  
16 almost impossible to gain approval for such a supply. For their part, the Roxbury  
17 customers will benefit by becoming part of a more efficient system operation. This  
18 is another way of demonstrating the Company's ability to seek innovative solutions  
19 that benefit the acquired customers as well as legacy customers. These benefits are  
20 described in more detail in the Direct Testimony of Mr. Shields.

NEW JERSEY-AMERICAN WATER COMPANY, INC.**Regulatory Mechanisms and Proposals**

1  
2 **19. Q. What is New Jersey-American Water's proposal to address the revenue**  
3 **recognition lag in this application?**

4 A. In addition to items discussed above, the Company is also requesting approval of a  
5 RSM. The RSM provides the Company a realistic opportunity to collect its  
6 authorized revenue requirement. At the same time, the RSM ensures that customers  
7 only pay the amount authorized by the BPU, nothing more and nothing less.

8 **20. Q. Is the Company also requesting a mechanism to address its pension and OPEB**  
9 **expenses?**

10 A. Yes. The Company is proposing the implementation of a pension and OPEB  
11 tracker as discussed by Company witness Mr. Watkins. Given the demonstrated  
12 variability between the authorized amounts that are collected through rates and  
13 changes that occur in the in pension and OPEB expense year to year, the Company  
14 believes that the public interest will be best served by a mechanism that ensures  
15 that customers fund no more, and no less than is necessary. As Mr. Watkins  
16 explains, the proposed tracker will accomplish this; tracking the required costs  
17 versus those authorized in rates and providing for a reconciliation of the two.

NEW JERSEY-AMERICAN WATER COMPANY, INC.**III. IMPROVING WATER EFFICIENCY****21. Q. Please explain the concept of water efficiency.**

A. Water efficiency means using improved practices and technologies to deliver safe, reliable and adequate water service more effectively. New Jersey-American Water's water efficiency efforts include supply-side practices, such as leak detection and GIS, as well as demand-side strategies, such as rate design and public education programs. Leak detection programs can reduce the amount of water, pressure, and energy required to deliver the same amount of water to consumers' taps. Improving water efficiency reduces operating costs (e.g., pumping and treatment) and reduces the need to develop new supplies and expand our water infrastructure. It also reduces withdrawals from limited freshwater supplies, leaving more water for future use and improving the ambient water quality and aquatic habitat. Improving water efficiency saves customers money in the long run, enhances the economy, and protects the environment.

**22. Q. How is the concept of water efficiency relevant to this case?**

A. Improving water efficiency requires achieving a cost effective mix of prudent investments and improved operations and maintenance management capabilities targeting safety, customer satisfaction, environmental compliance, sustainability, asset performance and operational efficiency. New Jersey-American Water continually strives to develop and implement water efficiency measures that deliver steady or improved levels of service to consumers while mitigating cost increases. As discussed in the Direct Testimony of witnesses Messrs. Shields and Shroba, the

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1 investments we are making to better serve our customers are primarily in non-  
2 revenue producing investments – replacing aging infrastructure, compliance with  
3 environmental regulations, and water efficiency investments. As we plan our  
4 investments, however, we know how important it is to balance the need for system  
5 improvements with what our customers pay for water and wastewater service.  
6 Consequently, the Company continually strives to find more efficient and cost  
7 effective ways to operate and maintain its business. Our intense focus on controlling  
8 expenses produces direct benefits to our customers. For example, we know that for  
9 every \$1 of O&M expenses we save, we can invest almost \$8 of capital with no  
10 cost increase to our customers.

11 **23. Q. Can regulation support New Jersey-American Water's efforts to improve**  
12 **water efficiency?**

13 A. Yes, it can. Our ratemaking proposals are intended to support efforts to improve  
14 water efficiency. As mentioned above and explained in the Direct Testimonies of  
15 Company Witnesses Watkins, Shroba and Shields, NJAWC is requesting approval  
16 of a RSM and that new rates reflect the Company's full employment costs and the  
17 entirety of its capital investment, including for its acquisitions and LSLR Program,  
18 through the post test-year period. The Company's ratemaking proposals supports  
19 the more efficient use of water, more effective maintenance of our system, and more  
20 efficient investment in our system.

21 Ultimately, it is our customers who will benefit because these ratemaking tools will:  
22 allow New Jersey-American Water to anticipate and plan for a consistency in

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1 regulatory oversight necessary to attract capital; properly match cost incurrence  
2 with cost recovery; support the Company's continued efforts to use performance  
3 pay to drive efficiencies and improve our service to customers; and support more  
4 consistent planning and deployment of the most efficient resources. Removing  
5 barriers to improving efficiency and needed investment is also in our customers'  
6 interests because, over time, it reduces the cost of providing water service to  
7 customers and promotes the sustainability of our natural resources.

8 **24. Q. What is the Company's ultimate goal with regard to water efficiency?**

9 A. Our goal is to provide quality water and sewer services as efficiently as possible,  
10 and by doing so, to increase the value of the services that we provide our customers.

11 **IV. VALUE OF WATER AND AFFORDABILITY**

12 **25. Q. Do the Company's customers receive good value for the water service the**  
13 **Company provides?**

14 A. Absolutely. Most Americans are unaware of the cost of the vast infrastructure  
15 required to treat and deliver clean, safe and reliable water to their homes. Americans  
16 pay less for tap water than do residents of most other developed nations. Water is  
17 also typically the utility that makes up the lowest percentage of household budgets  
18 – less than gas, oil, telephone, cable, and electricity.

19 When customers appreciate the true value of water, it not only helps water utilities  
20 to continue to provide customers with safe, clean and reliable water service, but it  
21 also has the added benefit of encouraging more conservation and ensuring a  
22 sustainable supply for future generations. American Water has joined with other



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1 water resource companies and organizations in an industry-wide initiative to  
2 enhance customer awareness of what is involved in providing high quality, reliable  
3 water service and the relative value of the service as part of the Value of Water  
4 Coalition. The Coalition's aim is to educate the public on the importance of clean,  
5 safe, and reliable water to and from every home and community and to ensure  
6 quality water service for future generations.

7 **26. Q. How does New Jersey-American Water maintain the affordability of its water**  
8 **and wastewater services?**

9 A. Our water and wastewater services are critical, and we know how important it is  
10 for those services to remain affordable. NJAWC's water service is quite affordable  
11 when one considers that all of a customer's needs for drinking, cooking, cleaning  
12 and washing are provided for only \$2.05 per day at proposed rates. An important  
13 way that we maintain affordability is by continuously seeking to improve our  
14 business processes and make investments that improve operational efficiencies, and  
15 we have been very successful in doing so, as witnessed by the significant reduction  
16 in O&M expense per customer since 2010. With the monumental investment  
17 challenges we face, keeping our costs as low as practicable is paramount.

18 **27. Q. What else is New Jersey-American Water doing to maintain the affordability**  
19 **of its services for its customers?**

20 A. In addition to delivering our services in the most efficient, cost effective ways to  
21 benefit all of our customers, New Jersey-American Water also offers several  
22 targeted customer assistance programs to help our most vulnerable customers.

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1 NJAWC's residential customers have the option of paying bills under the  
2 Company's budget billing plan, whereby the total service for the succeeding twelve  
3 (12)-month period is estimated in advance, and bills are rendered monthly on the  
4 basis of one-twelfth (1/12) of the twelve (12)-month estimate. In addition, the  
5 Company offers its customers flexible payment arrangements through installment  
6 agreements if they are financially unable to pay a past due water service bill.

7 NJAWC also assists customers who are experiencing financial hardship through  
8 the Company's Low Income Payment Program ("LIPP") and Help to Others  
9 ("H2O") Fund. The H2O program is an emergency bill-paying assistance program  
10 funded by NJAWC's shareholders and donations from customers who want to help  
11 other customers in need. The H2O Fund, administered by New Jersey SHARES,  
12 Inc.,<sup>1</sup> was created by the Company in 2004 and has been improved over time. In  
13 2017, NJAWC expanded the income limits from 200% to 300% of the poverty  
14 level, and in 2019, NJAWC increased the length of time applicants are given to  
15 provide documentation to NJ Shares, from 3 days to 10 days. Customers who  
16 qualify may receive grants of up to \$500 every three years toward their NJAWC  
17 bill, as well as a 100 percent discount on their monthly fixed service charge for  
18 water and sewer. Additionally, customers who receive Social Security benefits or  
19 Medicare coverage and who qualify for the service charge discount, are also eligible  
20 to receive a discount off the monthly DSIC charge, which is based on meter size.

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<sup>1</sup> NJ SHARES is a statewide non-profit corporation providing assistance to individuals and families in need of help meeting their energy and utility burden.

NEW JERSEY-AMERICAN WATER COMPANY, INC.**V. CUSTOMER COMMITMENT AND COMMUNITY INVOLVEMENT****28. Q. Please describe the Company's commitment to its customers.**

A. Customers are a top priority for the Company. Whether it's ensuring their health and safety through the work we do and how we do it, striving to provide service in the most cost-effective manner possible over the long term, or undertaking key initiatives to better serve them, customers are and will continue to be our key focus. This is evidenced throughout the testimony provided in this case, but I do want to highlight two customer-specific items. As explained in more detail by Mr. Shroba, the Company has implemented several technological solutions to better serve our customers. These include improvements to our customer service infrastructure, applications for employee use, and a new customer portal, all of which make it easier for customers to do business with us. The customer portal, for example, has been enhanced to allow for easier, self-service bill payment, access to consumption information, and conservation advice. In addition, as explained by Company witness Jamie Hawn, the Company is seeking to eliminate credit card fees on a per customer basis. Providing customers with another payment option without a fee will ease the payment process for customers, incentivize paperless billing, and increase customer satisfaction.

**29. Q. Does New Jersey-American Water play an active role in the communities that it serves?**

A. Yes. New Jersey-American Water is a responsible corporate citizen, and is known for its community involvement and volunteerism. Our management team

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1 encourages our employees and their families to be active volunteers in the  
2 communities we serve.

3 NJAWC believes that community investment starts with our employees. NJAWC  
4 values community service and we encourage our employees to be equally invested  
5 in the communities we serve through various charitable endeavors and volunteer  
6 activities. NJAWC gives back to the community by supporting innovative,  
7 environmental grant programs that improve, protect or restore drinking water  
8 supplies and surrounding watersheds. We believe in investing in innovative  
9 programs that align with our core business of water and wastewater service, and are  
10 committed to working with community partners to develop sustainable solutions to  
11 local environmental issues. As an organization, NJAWC focuses community  
12 investments in four key areas: (1) water and the environment; (2) water and healthy  
13 living; (3) environmental education; and (4) community sustainability. The  
14 following is an overview of the activities the Company and its employees support:

- 15 • Each year, our employees participate in our AmerICANs in Action Month  
16 of Service – helping neighbors, participating in different community  
17 volunteer projects and providing hours of volunteer service to local  
18 community-based organizations in need of assistance;
- 19 • Through the American Water Charitable Foundation (the “Foundation”),  
20 NJAWC and American Water support employees in their own charitable  
21 endeavors, provide support for targeted disaster relief efforts and provide  
22 funding for higher level initiatives related to clean water, conservation,

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education and sustainability. The Foundation has donated more than \$2.5 million through the Employee Volunteer and Matching Gift, Disaster Relief and Building Better Communities programs – and continues to make a difference every day. Since its inception, the Employee Volunteer and Matching Gift Program has matched approximately \$900,000 to public charities that are important to American Water employees across the nation, and clocked more than 27,000 hours of volunteer time. In New Jersey specifically, \$78,000 has been matched and more than 2,000 hours of volunteer time tracked;

- Over the past ten years, American Water employees have provided more than \$5 million to United Way and loyally contributed their time to this cause; and
- NJAWC employees have contributed more than \$160,000 over the past five years to nonprofit organizations in New Jersey.

**30. Q. In what other activities has New Jersey-American Water partnered?**

A. Through community giving, in-kind donations, partnerships and volunteering, NJAWC demonstrates our commitment to programs that address community-specific needs. We work with a number of community-based partners throughout our service areas to positively impact the overall quality of life where our employees, customers and neighbors live and work. It takes more than a one-time grant or volunteer effort to make a lasting difference – so we seek out and support organizations that understand how to best meet the needs of the community.

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1 A few examples of how we take an active part in the communities we serve include:

- 2 • Environmental Grant Program: Providing grants of \$1,000 to \$10,000  
3 for community-based projects that improve, restore and protect our  
4 source water and surrounding watersheds.
- 5 • Toughbooks for Tough Volunteers: Providing ruggedized Toughbook  
6 computers to non-profit organizations, primarily qualifying volunteer  
7 firefighters and emergency responder departments located within  
8 NJAWC's service areas.
- 9 • Speakers' Bureau: Offering our water industry experts to speak at  
10 conferences, industry events, organizations and schools, with  
11 presentations on all types of water-related topics that can be tailored  
12 for audiences of all ages.
- 13 • First Responder Grant Program: Providing grants of up to \$1,000 each  
14 to assist volunteer emergency service organizations in our service  
15 areas with the purchase of protective gear, lifesaving equipment, tools,  
16 training and related activities/materials to support volunteer  
17 firefighter and emergency responder operations.
- 18 • Community Events: Contributing to community events, activities and  
19 organizations that benefit the growth, sustainability and protection of  
20 our service areas, either through small monetary donations, a visit  
21 from our Puddles Water Truck, and/or hosting a table with  
22 information for customers.

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1     **31. Q. Does this conclude your direct testimony?**

2           A. Yes, it does.

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Appendix A

1    **1. Q. Please describe your educational background.**

2        A. I received a bachelor's degree in biology and a master's degree in environmental  
3        studies from Southern Illinois University Edwardsville in 1987 and 1994, respectively.

4    **2. Q. What has been your business experience?**

5        A. I have been with American Water since 1988, when I began my career as a research  
6        analyst at the American Water Central Laboratory conducting microbiological research  
7        related to improved treatment techniques. I continued to work in the research  
8        department through May 2000, holding Senior Research Analyst and Environmental  
9        Scientist positions. From 2000 to 2007, I served as laboratory director for American  
10       Water's Central Laboratory in Belleville, Illinois. In 2007, I became the Vice President  
11       of Operations for Illinois American Water Company ("Illinois American Water") in  
12       Belleville, Illinois assuming oversight of all operational areas of Illinois American  
13       Water including water quality, field operations, production and maintenance for water  
14       and sewer. In January 2011, I became President at Kentucky American Water  
15       Company, in November of 2015, I became President of Missouri-American Water, and  
16       in March, 2019, I assumed my current role as the Senior Vice President of the Eastern  
17       Division of American Water and President of New Jersey-American Water.