

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

OAL Docket No. PUC 17894-2019 S

BPU Docket No. WR19121516

Supplemental Direct Testimony in Support of 9&3 Update of

JAMIE D. HAWN

Exhibit P-7S

NEW JERSEY-AMERICAN WATER COMPANY, INC.

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

2 A. My name is Jamie D. Hawn and my business address is 1 Water Street, Camden,
3 New Jersey 08102.

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

5 A. I am employed by American Water Works Service Company, Inc. (“Service
6 Company”) as the Senior Manager of Rates and Regulatory for New Jersey-
7 American Water Company, Inc. (“NJAWC,” “New Jersey-American Water” or the
8 “Company”), which falls within the Eastern Division (New Jersey, New York,
9 Virginia and Maryland).

10 **3. Q. Are you the same Jamie D. Hawn who filed Direct Testimony on December 16,**
11 **2019 in this proceeding, marked as Exhibit PT-7?**

12 A. Yes, I am.

13 **4. Q. What is the purpose of your Supplemental Direct Testimony?**

14 A. My Supplemental Direct Testimony summarizes the Company’s 9&3 Update as it
15 relates to Operation and Maintenance (O&M) Expenses, Taxes Other than Income,
16 and Tariff Changes. Additionally, my supplemental testimony will address changes
17 to Schedules 6 through 7 and Schedules 10 through 14, which were prepared by me
18 or under my supervision and direction. These updates, along with others provided
19 by the Company’s witnesses, are listed in Schedule JST-2 attached to the
20 Supplemental Direct Testimony of Company witness John Tomac.

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1 **I. O&M**

2 **1. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 3, Power.**

3 A. The Company has updated its pro forma power expense to reflect approved and
4 filed rate increases by its providers since the original filing date of December 16,
5 2019.¹ Additionally, as mentioned in my Direct Testimony, the Company has
6 updated for the change in pro forma system delivery, which is addressed in
7 Company witness Mr. Rea's supplemental testimony. Lastly, the Company has
8 made an additional adjustment for the State's renewed participation in the Regional
9 Green House Gas (RGGI) program.

10 **2. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 4, Chemicals.**

11 A. The Company has decreased its pro forma chemical expense due to the expected
12 reduction of certain chemical usage in the production process. Additionally, the
13 Company has updated for the change in pro forma system delivery.

14 **3. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 5, Waste**
15 **Disposal.**

16 A. The Company has reduced its pro forma waste disposal expense based on the
17 change in pro forma system delivery.

¹ The Company updated for the BPU's approval of a 5.60% increase to Rockland Electric Company's rates, effective February 1, 2020. Further, Jersey Central Power & Light filed for new rates in May 2020, requesting an average increase of 7.80%. South Jersey Gas also filed a base rate case in March 2020 requesting an increase of 12.20%, resulting in approximately an 8.0% increase for NJAWC.

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1 **4. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 6,**
2 **Compensation.**

3 A. The Company proposed estimated merit increases, effective in March, at the time
4 of filing. The Company has increased the pro forma compensation expense to
5 reflect actual non-union and union (Local 423) merit rate increases for the 2020
6 period. The Company maintains the level of employees at 885.5 FTEs as the
7 appropriate staffing level as well as the 3.3% vacancy rate and three-year average
8 for the capital ratios. Additionally, in connection with the Company's response to
9 SR-8, a correction was made to the overtime expense calculation.

10 **5. Q. Please summarize the changes to Exhibit P-2, Schedule 10, line 4, Payroll**
11 **Taxes.**

12 A. The Company has increased its pro forma payroll taxes based on the updates to
13 compensation expense. Additionally, the Company updated for the State
14 Unemployment Tax (SUTA) rate increase from .675% to .845%.

15 **6. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 7, Pension.**

16 A. The Company has reduced its pro forma pension expense based on the update of
17 the 2020 ASC 715 amounts, as provided by Willis Towers Watson in February of
18 2020.

19 **7. Q. Please summarize the changes to Exhibit P-2, Schedule 6, Line 8, Group**
20 **Insurance.**

21 A. The Company has increased its pro forma group insurance expense increases based
22 on the updates to the compensation expense. Included in group insurance expense

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1 is OPEB expense, which like Pension expense was updated for the 2020 amounts.
2 The assets held for investment in OPEB are divided into three VEBA's: Post-
3 Retirement Medical Benefits/Bargaining Plan, Post-Retirement Medical
4 Benefits/Non-Bargaining, and Life Insurance Benefits. In 2016 and 2018,
5 American Water negotiated a cap on benefits in the Bargaining and Non-Bargaining
6 plan. The Company adjusted its request to revise the expense associated with the
7 Bargaining Unit VEBA, as currently there is a balance in that account subject to
8 100% tax if removed from the plan.

9 **8. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 9, Other**
10 **Benefits.**

11 A. The Company has increased its pro forma other benefits expense based on the
12 updates to the compensation expense.

13 **9. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 10, Support**
14 **Services.**

15 A. The Company has increased its pro forma Support Services expense. Similar to the
16 updates for NJAWC, the estimated merit increases were replaced with the actual
17 non-union merit increase for 2020, which resulted in a reduction of the expense.
18 The pension and OPEB portion of the expense were also updated for the 2020
19 amounts, as provided by Wills Towers Watson, which also resulted in a reduction
20 of the expense. The Company further reduced expense by reallocating time charged
21 to capital related to the 17 employees transferred from NJAWC to Service

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1 Company. Lastly, the Company's cost allocation for Service Company fees has
2 increased due to the New York American Water divestiture.

3 **10. Q. Please explain the update to the allocation factor due to the pending sale of**
4 **New York American Water.**

5 A. On November 20, 2019, American Water and its New York subsidiary executed a
6 Stock Purchase Agreement with Liberty Utilities Co. ("Liberty"), pursuant to which
7 Liberty will purchase all of the capital stock of the New York subsidiary (the "Stock
8 Purchase"). The parties to the Stock Purchase Agreement filed for New York State
9 Public Service Commission (PSC) approval of the acquisition in a February 2020
10 Joint Petition. The acquisition is scheduled and on target to close by Q1 2021.
11 Therefore, the Company has included an adjustment to the overall allocation
12 percentage charge from Service Company to NJAWC to account for an increase in
13 allocated regulated company costs due to the pending sale of the New York
14 American Water system.

15 **11. Q. How will NJAWC's allocation change as a result of the divestiture of New**
16 **York American Water?**

17 A. The divestiture of New York American Water will result in the reallocation of
18 certain Service Company expenses. Approximately \$2,450,000 in additional O&M
19 related charges will be allocated to NJAWC as a result of the divestiture. This is
20 further supported in the Supplemental Direct Testimony of Mr. Baryenbruch,
21 Exhibit P-13S.

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1 **12. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 13, Uncollectible**
2 **Expense.**

3 A. The Company has reduced its pro forma uncollectible expense to recognize the
4 reduction in pro forma present rate revenues.

5 **13. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 14, Customer**
6 **Accounting.**

7 A. The Company has increased its pro forma customer accounting expense to reflect
8 the update in the actual customer count. Please see the Supplemental Direct
9 Testimony of Mr. Rea, Exhibit P-10S.

10 **14. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 15, Regulatory**
11 **Expense.**

12 A. The Company has increased its pro forma regulatory expense to reflect estimated
13 expenses associated with the Company's rate filings.

14 **15. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 16, Insurance**
15 **Other than Group.**

16 A. The Company has increased its pro forma insurance other than group expense to
17 reflect the 2020 actual insurance invoices.

18 **16. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 18, Property**
19 **Sales.**

20 A. The Company has reduced the pro forma property sales to reflect the actual gains
21 resulting from the sale of the former headquarters located in Voorhees, NJ and the

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1 sale of property in Howell, NJ. The sale of the Voorhees property closed after the
2 Company filed its original Petition, at the end of December 2019.

3 Additionally, at the time of the Company's filing, the sale of the real property
4 located at 60 Lake Drive in Howell Township had not closed. In January 2020, the
5 closing took place and thus, the Company is updating its proposal to defer and
6 return to customers 50% of the gain with the remaining 50% to be posted as below-
7 the-line income to the Company.

8 The Company is proposing that the gain for the sale of both the Voorhees and
9 Howell properties allocated to customers be amortized over a 36-month period.

10 **17. Q. Please summarize the changes to Exhibit P-2, Schedule 6, line 19, Other**
11 **Operating Expense.**

12 A. In connection with the Company's response to SR-18, the Company found that it
13 had inadvertently included \$145,000 of PWC fees relating to Docket No.
14 WR170909085 that the Company agreed would be borne by shareholders. Thus,
15 the Company has reduced its pro forma other operating expense by \$145,000 to
16 reflect removal of these costs.

17 **18. Q. Please summarize the changes to revenue-based taxes.**

18 A. The Company has updated Exhibit P-2, Schedules 11 through 13 to recognize the
19 changes in the pro forma present rate and pro forma proposed revenues, as
20 discussed in the Supplemental Direct Testimony of Mr. Rea, Exhibit P-10S.

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1 **II. INCOME AND OTHER TAXES**

2 **19. Q. Please summarize the changes to Income Taxes.**

3 A. The Company has updated Exhibit P-2, Schedule 14 to flow through the changes
4 made in the 9&3 Update related to O&M, deferred taxes and the pro forma present
5 rate and pro forma proposed revenues to the Income Taxes expense.

6 **20. Q. Does this conclude your supplemental testimony related to expenses?**

7 A. Yes.

8 **III. TARIFF CHANGES**

9 **21. Q. Have you made any updates to Exhibit P-1, the Company's proposed tariff?**

10 A. Yes. Attached to my testimony as Schedule JDH-1 are post-filing tariff changes
11 made to Exhibit P-1 reflecting edits made during the course of the discovery process
12 as well as some minor typographical-type edits. The comments inserted alongside
13 the text in Schedule JDH-1 indicate the discovery response that prompted the edit.

14 **22. Q. Are there any other changes or corrections to Exhibit P-1 since the filing on**
15 **December 16, 2019?**

16 A. Yes, one additional correction. On Original Sheet No. 34.5, the Company realized
17 that it had inadvertently skipped the 3/4" meter size in the fixed service charges. As
18 a result, all rates from the 1" meter size down were off. This has been corrected as
19 shown below, and on Schedule JDH-1, p. 9.

NEW JERSEY-AMERICAN WATER COMPANY, INC.

<u>Size of Meter</u>	<u>Non-Exempt Per Month</u>	<u>Size of Meter</u>	<u>Non-Exempt Per Month</u>
5/8"	\$8.50	5/8"	\$8.50
1"	10.20	<u>3/4"</u>	<u>10.20</u>
1 1/2"	21.25	1"	<u>21.25</u> ▾
2"	42.50	1 1/2"	<u>42.50</u> ▾
3"	68.00	2"	<u>68.00</u> ▾
4"	127.50	3"	<u>127.50</u> ▾
6"	212.50	4"	<u>212.50</u> ▾
		6"	<u>425.00</u> ▾

1

2 **23. Q. Does this conclude your Supplemental Direct Testimony at this time?**

3 A. Yes, it does.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Water and Wastewater

Fifth Revised Sheet: No. 3
Superseding Fourth Revised Sheet: No. 3

DEFINITIONS - WATER

The following are definitions of specific terms that are used in this document:

- 1- "Board" or "BPU" shall mean the New Jersey Board of Public Utilities.
- 2- "Company" or "New Jersey-American Water" shall mean New Jersey-American Water Company, Inc. or, as applicable, any predecessor entity.
- 3- "Connecting line" is the portion of pipe that starts at the curb stop and conveys domestic water and/or fire service to the customer. The customer and/or premises owner owns, and is responsible for the operation and maintenance of the connecting line.
- 4- "Curb stop" is the fitting attached to the service line, and is used primarily for turning on and shutting off water at the curb in emergencies, for purposes of repair or to discontinue service to a customer.
- 5- "Customer" means a person that is an end-user, a customer of record or both, as defined in N.J.A.C. 14:3-1.1. "Customer of Record" means the person that applies for utility service and is identified in the account records of a public utility as the person responsible for payment of the public utility bill. A customer may or may not be an end-user. "End User" means a person who receives, uses, or consumes water or wastewater service. An end user may or may not be a customer of record.
- 6- "DEP" shall mean the New Jersey Department of Environmental Protection.
- 7- "End User" means a person who receives, uses, or consumes water or receives wastewater or fire protection service. An end user may or may not be a customer or a premises owner.
- 8- "Extension" is an addition to the existing system of mains, intended to service more than one customer, either at the time of installation or in the future.
- 9- "Interruptible Service" means service which may be interrupted in the sole discretion of the Company on not less than three (3) hours' notice to the customer by telephone or otherwise.
- 10- "Main" is a pipe or conduit for conveying water or wastewater. A "water main" will exclusively convey water and a "sewer main" will exclusively convey wastewater.
- 11- "Meter" is a device to measure the quantity of water, wastewater and/or the rate of flow delivered to or from a customer.
- 12- "Meter pit" is a structure that houses a small meter or meters less than or equal to 2-inches. Unless agreed to by the Company and the customer, it is installed, furnished and maintained by the Company.
- 13- "Meter vault" is a structure that houses a meter or meters larger than 2-inches. Unless explicitly agreed to by the Company and the customer in writing, it is located and designed by the Company, and constructed, installed, furnished and maintained by the Customer at the sole expense to the customer. The Company will ensure that the vault is kept clear of any of its equipment that is no longer in service, to the extent possible.
- 14- "Person" means an individual, firm, joint venture, partnership, co-partnership, corporation, association, State, county, municipality, public agency or authority, bi-state or interstate agency or authority, public utility, regulated entity, cable television company, cooperation association, or joint stock association, trust, limited liability company, governmental entity, or other legal entity, and includes any trustee, receiver, assignee, or personal representative thereof. (N.J.A.C. 14:3-1.1)
- 15- "Premises" is defined as follows:
 - a) A building under one-roof, owned or leased by one customer and occupied as one place of business or residence.
 - b) A combination of buildings, owned or leased by one customer in one common enclosure, occupied by one family or business.
 - c) A combination of buildings, such as a garden type apartment, owned or leased by one customer, in one common enclosure, none of the individual buildings of which is adapted to separate ownership.

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By: Cheryl Norton, President
One Water Street, Camden, NJ 08102
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. WR1912____ dated _____.

DEFINITIONS – WATER (Continued)

- d) The one side of a double house having a solid vertical partition wall, so that it may be adapted to separate ownership.
 - e) A building owned or leased by one person, of more than one apartment and using in common one hall and one entrance.
 - f) A building owned or leased by one person, having a number of apartments or offices, and using a common one hall and one or more means of entrance.
 - g) A public building or a single plot such as a park or a playground.
 - h) ~~A building or combination of buildings owned by one customer or entity located on contiguous property not intersected or intervened by another customer or entity.~~
- 16- "Premises owner" is the party who possesses the exclusive right to hold, use, benefit from, enjoy, convey, transfer, and otherwise dispose of the property. A premises owner may or may not be the customer of record or end-user, as defined in N.J.A.C. 14:3-1.1.
- 17- ~~"PWAC" or "Purchased water adjustment clause" is a provision that authorizes a utility to adjust its rates to compensate for an increase or decrease in the cost of water purchased from a water purveyor. (N.J.A.C. 14:9-7.2)~~
- 18- "PWAC Year" shall mean the twelve-month period beginning each April 1 and ending March 31 of the following calendar year.
- 19- "Residential customer" means a customer who receives service from a regulated entity for use in a residence. (N.J.A.C. 14:3-1.1)
- 20- ~~"Sales for Resale Customer" means a municipal water system, a Municipal Utilities Authority, a County Utilities Authority, a Water Supply Authority, district or commission or a water utility regulated by the Board.~~
- 21- "Service line" is the portion of pipe that starts from a main and ends at the curb stop. The service line is owned, operated and maintained by the Company. (N.J.A.C. 14:3-8)
- 22- "Tap" is the fitting inserted in the main to which the service line is attached. It is used to facilitate the tapping of the main and for shutting off water in case of repairs to the service line.
- 23- "Tariff," as referred to herein, is the entire "Tariff for Water and Wastewater Service" as the same may be amended or revised from time to time in accordance with N.J.A.C. 14:3-1.3, Tariffs.
- 24- "Water connection" includes all service line, taps and curb stops necessary to supply customers with water at their premises from the Company's water mains.
- 25- "Water service" is the act of providing water to a customer.

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NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Water and Wastewater

Fifth Revised Sheet: No. 7
Superseding Fourth Revised Sheet: No. 7

GENERAL RULES (Continued)

- 10- Exempt rates are charged for service rendered to those customers entitled to statutory relief pursuant to N.J.S.A. 54:30A-50, et seq.
- 11- The quantity of water recorded by the meter shall be taken to be the amount delivered to the customer, except where the meter has been found to be registering fast by more than one and one-half percent (1.5%) or has ceased to register.
- 12- All service provided by the Company except public fire protection shall be metered. Thus, no unmetered water service connections are permitted except as otherwise set forth herein or approved by the Company.
- 13- The Company shall own and provide without charge for each customer supplied on a measured basis, ~~a meter and such appurtenances related to the meter as are customarily furnished by the Company, such as encoders, radio transmitters, meter pits (but not meter vaults), or other devices designed to facilitate the collection of accurate and efficient meter reads.~~
- 14- The Company requires that all meters be housed inside meter pits (for meters that are less than or equal to 2-inches) or meter vaults (for meters that are larger than 2-inches). Where more than one service type exists (domestic, private fire protection or irrigation) all meters shall be housed inside a meter vault if any one meter is greater than two inches. The Customer is responsible for the installation and maintenance of meter vaults. All meter pits and meter vaults will be located outside of the Customer's structure in a location acceptable to the express approval of the Water Company. Notwithstanding the foregoing, the Company may grant an exception to this rule on a case by case basis at the Company's discretion.
- 15- The Company maintains and repairs meters except in case of misuse or damage by the customer or the customer's invitees, agents, representatives or contractors, in which case the Company shall charge the customer for repairing and replacing the meter, said charge to be based on the costs related to the removing, repairing, replacing and/or resetting the meter. The charge will be made in accordance with Rate Schedule P-2.
- 16- Where more than one rate schedule is available to particular customers, the utility shall have at all times the duty to assist such customers in the selection of the rate schedule most favorable for their individual requirements and to make every reasonable effort to insure that such customers are served under the most advantageous schedule.
- 17- Upon the request of a customer, the Company shall send a Spanish language version of the notice of discontinuance for nonpayment. N.J.A.C. 14:3-3A.3(e)
- 18- The Company reserves the right to require any customer having unusual requirements of demand, services or supply to enter into a special written contract, which contract shall provide for the mutual obligations of the customer and Company. Special contracts will be filed with the Board.
- 19- In case of fraud, deception, illegal use, or when it is clearly indicated that the customer is preparing to leave, the Company may demand immediate payment of accounts and terminate service without further notice.
- 20- The Company reserves the right to change, take from or add to this tariff and the Standard Terms and Conditions, to the extent permitted by law, or permitted by the applicable regulations of the state regulatory body having jurisdiction.
- 21- For all materials furnished or services rendered to any governmental agency or unit of the United States, New Jersey, or sub-unit thereof, that is not covered by any other tariff provision or rate schedule, and which pertain to hydrants, meters or situations involving emergencies, the charges will be 10% more than the total of the following applicable items:
- (a) Equipment and materials: actual costs;
 - (b) Labor charges: actual costs (including base plus fringe); and,
 - (c) Other charges: actual costs (such as permits, police protection, contractor labor, restoration, etc.).

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One Water Street, Camden, NJ 08102
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NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Water and Wastewater

Fourth Revised Sheet: No. 10
Superseding Third Revised Sheet: No. 10

STANDARD TERMS AND CONDITIONS
WATER AND WASTEWATER

BUDGET BILLING (Continued)

11. The Company will "true up" the actual cost of service rendered as determined by actual meter readings and the actual monthly budgeted amount at the beginning of the budget plan year, and at least once during the budget plan year if the true-up performed during the customer's budget plan year reveals an increase or decrease of twenty-five (25) percent or more in the monthly budget amount, the Company will adjust the budget billing plan up or down, if necessary. There shall be no more than one such adjustment during the budget plan year. The Company will notify the customer of any change in the budget billing amount prior to such change.
12. A final bill for the budget plan year shall be issued in the last month of the budget plan year, and shall contain the month's monthly budget amount, plus an adjustment of any difference between said amount and the actual cost of service rendered during the budget plan year. Payment of this final balance due is required before the customer will be allowed to participate in the budget billing program for the upcoming budget billing plan year.
13. The Company shall notify the budget billing plan customers in writing of a revised monthly budget amount at least ten (10) working days before the due date the initial bill of the next budget plan year. Should the customer opt out of the budget billing plan, payment of the total charges incurred to date will be due immediately, or, in the alternative, agree to enter into a deferred payment agreement according to N.J.A.C. 14:3-7.7; or a credit will be applied to the account, whichever is applicable. The plan bill shall contain the information required by N.J.A.C. 14:3-7.2, Form of Bill for Metered Service, N.J.A.C. 14:3-7.3 Form of Bill for Unmetered Service, and N.J.A.C. 14:3-7.4, Method of Billing.
14. Should the customer breach the terms of the budget billing plan by failing to make the monthly payments as required under the plan or by having a budget billing plan payment returned due to insufficient funds, the Company reserves the right to terminate the customer's participation from the program; payment of total charges incurred to date will be due immediately, or, in the alternative, the Company and the customer will agree to enter into a deferred payment agreement according to N.J.A.C. 14:3-7.7.

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FINANCIAL AID

15. The Company understands that from time to time its customers may have difficulty paying their water and/or wastewater bills issued by the Company. If at any time customers find that they cannot pay their water and/or wastewater bill by the due date, the Company requests that the customers contact the Company's Customer Service Center, prior to the due date, to work out a payment arrangement with the Company to avoid a shut-off of service, at 1-800-652-6987.
16. In addition to working out payment arrangements with customers in times of financial difficulty, the Company has also established a residential customer assistance program for its low-income customers who are having difficulty paying their water and/or wastewater bills issued by the Company. This residential customer assistance program, called the H2O Help to Others Assistance Program, is designed to provide financial assistance to qualified residential customers to pay their water and/or wastewater bills and protect them from an unnecessary discontinuance of their water and/or wastewater service. A grant from the H2O Help to Others Assistance Program may be awarded to cover a portion or all of the residential customer's outstanding bill based on the customer's ability to pay, income level and the availability of funds in the program. For more information about this program, please contact NJ Shares at 1-877-652-9426 or any subsequent program administrator whose contact information may be found on the Company's web site.

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NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Water

Fifth Revised Sheet: No. 18
Superseding Fourth Revised Sheet: No. 18

STANDARD TERMS AND CONDITIONS
WATER

WATER SERVICE AND CONNECTING LINES

Company Side – Service Lines

1. The Company is responsible for the installation and maintenance of the service line.
2. Only employees of the Company or persons duly authorized to do so by the Company are permitted to operate or otherwise access the curb stop.
3. No service line shall be used to supply more than one customer unless authorized in advance by the Company in writing.
4. Where two or more customers are supplied through a single service line, the customers and/or premises owner must provide a suitable location(s) for a separate meter and separate shut-off valve that will be dedicated to each customer. The piping of the building must be so arranged that each customer can be supplied through an independent meter, shut off valve and piping system as may be required by the Company, at the Company's sole discretion. The meter pit or vault shall be installed at a location acceptable to, and with the express approval of, the Company. Failure to comply with this provision may result in termination of service to all accounts serviced by a single connecting line when service to one account must be discontinued for non-payment or failure to otherwise comply with the terms and conditions of service provided for herein. Notice provisions outlined on Sheet No. 13, paragraph 27, will apply.
5. No single building or single group of buildings in one common enclosure and under one ownership shall be supplied by more than one of the same type of service line (i.e., only one domestic line and one fire line).

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Customer Side – Connecting Lines

6. Connecting lines are owned, installed, maintained and repaired by the premises owner at the premises owner's sole expense. The connecting line should be maintained in a condition conducive for the Company to perform the services required to serve its customers. If the connecting pipe is not so maintained, any failure of this pipe following the operation of the curb stop by the Company will be the responsibility of the premises owner. While performing its duties, if the Company notices that the connecting pipe or other premises owner-owned and maintained appurtenances appear to be in poor condition, the Company will attempt to notify the premises owner of such, including that the owner may desire to contact a licensed plumber for a professional evaluation and/or repair of the connecting pipe and appurtenances. Failure to repair a leaking connecting line is grounds for termination of water service. N.J.A.C. 14:3-3A.1(a)5.
7. Notwithstanding any other provision of this tariff, the Company may, at its own expense, and with the permission of the customer, replace a customer's connecting line that is i) made of lead pipe, ii) made of pipe lined with lead or iii) made of ferrous-based pipe material capable of retaining lead particles.
 - a. After the Company replaces the customer's connecting line, as described above, the customer will continue to own and be responsible for the connecting line, including maintenance of such line, in accordance with this tariff. The Company will offer the customer a warranty of the workmanship of its installation of the new connecting line for a period of 12 months following the date the customer signs the replacement agreement with the Company, with the Company's liability limited to the cost of repairing or replacing the customer's connecting line during that time. Except for the Company's limited liability under the 12-month workmanship warranty, the Company will not own nor assume any liability or responsibility with respect to the customer connecting line. The customer will agree to release and hold the Company harmless the Company, its contractors and subcontractors from and against all claims, liability and costs resulting from acts and omissions of Company and/or its approved contractors and/or subcontractors in installing the Customer service line pursuant to the replacement agreement.

Commented [dlc7]: In accordance with response to RCR-E-35.

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NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Wastewater

Seventh Revised Sheet: No. 24
Superseding Sixth Revised Sheet: No. 24

STANDARD TERMS AND CONDITIONS
WASTEWATER

B. CALCULATION OF WINTER QUARTER CONSUMPTION (CONTINUED)

2. Existing or New Customers in an Existing or New Dwelling or Premises for Which No Full Period Winter Quarter History has Been Established.

a. For service established outside of the winter quarter:

Determination of the monthly use constant shall be based on 12,000 gallons per quarter (a monthly usage constant of 4,000 gallons) until the customer receives the January bill in the following year. The January and subsequent bills will be calculated in accordance with the method described in this Tariff for determining the monthly Sewer Usage Charge.

b. For service established during the winter quarter:

Determination of the monthly use constant will be based upon the actual usage during the winter quarter with a minimum of 12,000 gallons (a monthly usage constant of 4,000 gallons). This monthly use constant will be used for billing purposes until the customer receives the January bill in the following year. The January and subsequent bills will be calculated in accordance with the method described in this Tariff for determining the monthly Sewer Usage Charge.

C. SPECIAL REQUIREMENTS RELATING TO WASTEWATER SERVICE – COLLECTION SYSTEMS

Applicability

Applicable to wastewater service customers served by the Company in the Borough of Haddonfield, Howell Township, Lakewood Township, Ocean City and Mount Ephraim.

1. Separate and independent wastewater service lines shall be installed for each customer. All building drains and building sewers shall be the responsibility of the customer and shall be installed and maintained by the customer.
2. No customer shall discharge or cause to be discharged into the Company's system any storm water, surface water, ground water, roof runoff, sub-surface drainage, foundation or basement sump drainage, uncontaminated cooling water or unpolluted industrial process water.
3. No customer shall discharge or cause to be discharged into the Company's system the following described substances, materials, waters, or wastes without the prior written approval of the Company. Such wastes can harm either the sewerage system or treatment process and/or equipment, have an adverse effect upon the receiving stream for the treated wastewater, or can otherwise endanger life, limb or property or create a nuisance. In forming the opinions as to whether or not to permit the discharge, the Company will consider the effect upon receiving sewers, as well as the conditions placed upon the Company by its service agreements with the local treatment Utilities Authorities that treat the wastewater the Company collects.
4. The customer shall be responsible for maintaining and repairing the "building drain" and "building sewer."
5. The customer shall be responsible for installing and maintaining a backwater valve in buildings that have fixtures below grade level. In the event of a gray water backup, the Company shall not be liable for any damage or inconvenience resulting from the absence/malfunctioning of this appurtenance.
6. The Company reserves the right upon completion of its findings to:
 - a. Reject the wastes.
 - b. Require pretreatment to an acceptable condition for discharge.
 - c. Require flow equalization.

Commented [dlc8]: Due to the question in RCR-E-37 and our response to that DR we will change the language in this section to apply to all authorities or entities that treat the wastewater we collect.

Deleted: the Ocean County Utilities Authority and the Cape May County Municipal Utilities Authority

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NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Wastewater

Fourth Revised Sheet: No. 25
Superseding Third Revised Sheet: No. 25

STANDARD TERMS AND CONDITIONS
WASTEWATER

C. SPECIAL REQUIREMENTS RELATING TO WASTEWATER SERVICE – COLLECTION SYSTEMS
(CONTINUED)

7. In the event pretreatment facilities or flow equalization is required, the design and construction of such facilities shall be subject to approval of the Company and operation of said facilities shall be subject to inspection by the Company. Monitoring and/or sampling equipment shall be installed and operated by the customer as deemed necessary by the Company to ascertain proper operation of the pretreatment facilities.
8. The wastes requiring written approval are:
- a. Any liquid or vapor having a temperature in excess of 150°F.
 - b. Any waters or waste waters containing phenols.
 - c. Any waters or wastes having a pH in excess of 9.5.
 - d. Any water containing unusual concentrations of inert suspended solids, such as, but not limited to, diatomaceous earth, lime and lime slurries or of dissolved solids such as but not limited to sodium chloride or sodium sulfate.
 - e. Any water or waste water containing excessive discoloration.
 - f. Waste water having unusual "B.O.D." concentration, suspended solids concentration or high chlorine demand in such quantities as to constitute a significant load on the treatment plant.
 - g. Unusual volume of flow or concentrations of wastes constituting "slugs" as hereinbefore defined.
 - h. Water or wastes containing substances not amenable to biological treatment processes as defined by a wastewater treatment plant owner or operator.
9. No customers shall discharge or cause to be discharged any of the following described waters or wastes to the sewers:
- a. Any gasoline, benzene, naphtha, paints, lacquers, fuel oil or other flammable or explosive liquid, solid or gas which by reason of its nature or quality may cause fire or explosion or which, in any way, may be injurious to personnel or the sewer system.
 - b. Any water or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity either singly or by interaction with other wastes to injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the wastewater treatment plant.
 - c. Any waters or wastes having a pH of lower than 5.5 or having any other corrosive property capable of causing damage or hazard to the sewerage system and/or personnel of the Company.
 - d. Plating mill waste water or other industrial process water containing spent pickle liquor, concentrated plating solutions, chromium, zinc and similar toxic heavy metals, cyanides and cleaning solvents.
 - e. Any radioactive material.
 - f. Any water or wastes containing fats, wax, grease, tar, oils or any other substances, whether emulsified or not which may solidify or become viscous at temperatures between 32° and 150°F or which would impair, impede, affect, interfere with, or endanger personnel or the sewer system.
 - g. Any garbage not properly shredded.
 - h. Any solids of such size or characteristic capable of causing obstruction to the flow in sewers, such as, but not limited to, ashes, cinders, sand, mud, straw, metal shavings, glass, rags, feathers, tar, plastic, wood, paunch manure, hair fleshings, offal, entrails, etc.

Commented [dlc9]: RCR-E-36 pointed out this duplication.

Deleted: <#>In the event pretreatment facilities or flow equalization is required, the design and construction of such facilities shall be subject to approval of the Company and operation of said facilities shall be subject to inspection by the Company. Monitoring and/or sampling equipment shall be installed and operated by the customer as deemed necessary by the Company to ascertain proper operation of the pretreatment facilities.¶

Deleted: such as the Company, the Ocean County Utilities Authority and/or the Cape May County Municipal Utilities Authority...

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NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Wastewater

Twelfth Revised Sheet: No. 26
Superseding Eleventh Revised Sheet: No. 26

STANDARD TERMS AND CONDITIONS
WASTEWATER

C. SPECIAL REQUIREMENTS RELATING TO WASTEWATER SERVICE – COLLECTION SYSTEMS
(CONTINUED)

10. Any customer discharging industrial wastes shall provide and maintain a control manhole suitable to facilitate observation, sampling and measurement of the wastes. The Company (and the local treatment Utilities Authorities that treat the wastewater the Company collects) shall have the right to inspect, sample, measure and analyze waste water as they deem necessary.

Deleted: Ocean County Utilities Authority and Cape May County Municipal Utilities Authority

D. SPECIAL REQUIREMENTS RELATING TO WASTEWATER SERVICE – TREATMENT SYSTEMS

Applicability

Applicable to wastewater service to customers served by the Company in Service Area 1D, the former Applied Wastewater Management Service Area ("Applied"), Plumsted Township, and Tewksbury Township, except as specifically provided elsewhere in this tariff.

1. The within rates are applicable to normal sewerage, as defined by the New Jersey Department of Environmental Protection, namely 250 ppm.5 – day B.O.D. The utility company reserves the right to require pretreatment of the wastewater prior to discharge into sewers in the event that the wastewater contains harmful substances such as gasoline, PCBs, oil, explosive liquids, phenols, acids, alkalines, lint, excessive detergents or any other substance as defined by NJDEP. Each customer shall be fully responsible for proper use of the wastewater system and shall therefore not discharge any chemicals or contaminants which are toxic and which may cause damage to the wastewater system's electrical, mechanical, biological, or physical process components or may harm either the groundwater, soil or atmosphere, as listed on Schedule A on Sheet No. 27, as it may be periodically updated. Any cost involved in repairs of damage to the Company's facilities, environmental damages and penalties or fines levied against the utility caused by the introduction by the customer of unacceptable or harmful substances shall be the responsibility of the customer.
2. In accordance with the National Standard Plumbing Code adopted by the Uniform Construction Code of the State of New Jersey, no storm drainage system of a building shall be connected directly or indirectly to the sanitary drainage system. The company adopts the above provision and prohibits the drainage of storm water into its collecting system. Each customer shall be responsible to prevent any surface water or groundwater from entering into the wastewater system and therefore shall not connect or allow to be connected to the system any sump pumps, basement or crawl space drains, roof gutters, downspouts, or floor drains, and shall properly maintain all pipes and clean-outs to assure a watertight connection. Improperly discharging effluent from a non-approved drainage or collection system shall be considered the basis for immediate termination of service pursuant to N.J.A.C. 14:3-3A.1 et seq. The Company will provide notice of the termination of service to the extent reasonably possible.
3. Garbage disposal units are not permitted unless specifically authorized by the Company.
4. Each customer shall prevent damage to all system components located on the property being served, including components located within easement area; maintain the grass growth and prevent the growth of trees, shrubs, and ornamentals within the easement areas; maintain and repair pipes connecting the home to the septic tank to prevent clogging and leaking; and to notify the Company of any damage which may occur to system components.
5. Because the wastewater system can only handle a limited quantity of water, each residential customer may discharge no more than the maximum average of 350 gallons per day, or 32,000 gallons per quarter, of wastewater. In order to verify compliance with this provision, each customer must allow a representative of the Company to inspect all plumbing components upon request and to obtain all water meter readings as may be required.
6. Customers may not trespass on Company property or enter any Company facility without a representative of the Company being present.

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NEW JERSEY-AMERICAN WATER COMPANY, INC.
B.P.U. No. 8 – Water

Original Sheet: No. 34.5

RATE SCHEDULE A-16
GENERAL METERED SERVICE

APPLICABILITY

Applicable for general metered service throughout Service Area 1F, Roxbury, served by the Company, except as specifically provided elsewhere in this tariff. The charge for general metered service shall consist of the total of the Fixed Service Charge, the Water Charge, the Purchased Water Adjustment Clause (PWAC) Charge, as shown on Rate Schedule O-1, and the Distribution System Improvement Charge (DSIC), as shown on Rate Schedule K.

CHARACTER OF SERVICE

Continuous, except as limited by the "Standard Terms and Conditions."

FIXED SERVICE CHARGE

All general metered water service customers shall pay a fixed service charge based on the size of each meter installed by the Company. Customers with multiple meters shall be charged for each meter at the indicated rate. Whenever service is established or is discontinued, all applicable fixed charges shall be prorated to the date of establishment or discontinuance of service.

<u>Size of Meter</u>	<u>Non-Exempt Per Month</u>
5/8"	\$8.50
3/4"	10.20
1"	21.25
1 1/2"	42.50
2"	68.00
3"	127.50
4"	212.50
6"	425.00

WATER CHARGE

In addition to the Fixed Service Charge set forth above, a charge will be made for all water used as registered by the meter.

	<u>Gallons Per Month</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1,000 Gallons</u>
Non-Exempt	All	\$0.36439	\$3.6439

TERMS OF PAYMENT

Valid bills for general metered water service furnished under this schedule will be rendered monthly in arrears (or quarterly at the option of the Company), and are due fifteen (15) days from the date of the postmark on the envelope in which the bill was transmitted. All bills shall list a due date. Thereafter, the Company may not discontinue water service unless written notice is provided giving the customer at least ten (10) days' notice prior to the proposed discontinuance. The 10 days shall begin on the postmark date of the notice. N.J.A.C. 14:3-3A.3.

SPECIAL PROVISION

*Non-Exempt consumption charges reflect a water tax of \$.01 per 1,000 gallons of water consumed pursuant to N.J.S.A. 58:12A-21(a). This water tax is not applicable for sales for resale service.

Commented [dlc10]: After filing, the Company realized that it had inadvertently skipped the 3/4" meter size. As a result, all rates from 1" down were off.

<u>Size of Meter</u>	<u>Non-Exempt Per Month</u>
5/8"	\$8.50
1"	10.20
1 1/2"	21.25
2"	42.50
3"	68.00
4"	127.50
6"	212.50

- ~~Deleted: 10.20~~
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