KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2015-00418
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Linda C. Bridwell

9. Refer to the Direct Testimony of Linda C. Bridwell ("Bridwell Testimony"), pages 41-42. For each state that has been identified as adopting tariff riders similar to KAWC's proposed QIP:

a. Identify the statute, administrative regulation, or administrative order authorizing each state's infrastructure-replacement tariff rider and provide a copy of such statute, administrative regulation, or order;

b. Provide the order from the state's utility regulatory commission authorizing that state's initial infrastructure-replacement tariff rider;

c. Provide the most recent order from the state's utility regulatory commission authorizing that states infrastructure-replacement tariff rider;

d. State whether that state's utility regulatory commission permits the use of a forecasted test year in a general rate adjustment case, and whether the use of a infrastructure replacement tariff rider limits the use of a forecasted test year;

e. State whether the state's infrastructure-replacement tariff rider uses a forecasted or historical period; and

f. Provide a comparative analysis listing the similarities and differences between KAWC's proposed QIP to the infrastructure-replacement tariff riders in the listed states. Include detailed discussions for each similarity and difference noted in KAWC's comparative analysis.

Response:

a. In the states where American Water operates:

State	Approved Via Rate Order	Approved Via Promulgated Regulation	Approved Via Statute / Law
CA	2007-2011		
IL			1999
IN			2000
MO			2003
NJ		2012	
NY	2004		
PA	Pre 1996 but		1996 W; 2014 WW

	overturned by Supreme Court		
TN			2013

A Distribution System Improvement Charge "DSIC" was first implemented in Pennsylvania and allows for rate increases, outside of a general rate proceeding, for non-revenue producing investments to replace aging infrastructure. Most recently, it was expanded to include wastewater and gas infrastructure investment. Pennsylvania now allows water and wastewater utilities, natural gas distribution companies, city natural gas distribution operations, and electric distribution companies to petition the Commission for approval to implement a DSIC (Act 11 of 2012 and Docket No. M-2012-2293611).

In addition to Pennsylvania, American Water has regulated utility operations in states with Infrastructure surcharge mechanisms that include California, Illinois, Indiana, Missouri, New Jersey, New York (i.e. System Improvement Charge), and Tennessee.

Illinois: State Statute- Qualifying Infrastructure Plant Surcharge or "QIPS" (Administrative Code Title 83 Chapter 1 Section 656).
Indiana: State Statute- DSIC (Indiana Administrative Code 170 IAC 6-1.1-1).
Missouri: Docket No. WR-2011-0337
New Jersey: Docket No. WR-15010035
New York: DSIC, Case No. 04-W-0577, amended in Case No. 07-W-0508; System Improvement Charge, Case 11-W-0200, allows recovery of specific projects in rate year 2 and 3 including treatment facilities, source of supply, storage facilities and Business Transformation program.
Tennessee: Authorized by the Tennessee Legislature in Tenn. Code Ann. § 65-5-103 and first approved by the Tennessee Regulatory Agency in Docket No. 13-00130.

Other states, that have infrastructure surcharge mechanisms where American Water does not have regulated utility operations:
Arizona: Arizona Water Company- DSIC (Decision 73938 (April 8 and 11, 2013).
Connecticut: Connecticut Water Company- Water Infrastructure and Conservation Adjustment (WICA) (Section 16-262v and w of CGS).
Delaware: UW Delaware- DSIC (statute and regulation).
Maine: State Statute- Infrastructure Surcharge and Capital Reserve Accounts for Water Utilities
(Legislation enacted during the 2012 session (PL 2011, Chapter 602).
New Hampshire: Aquarion Water Company of New Hampshire - Water Infrastructure and Conservation
Adjustment Charge Pilot Program (Order No. 25,019).
Ohio: State Statute: DSIC (Ohio Rev. Code § 4909.15(A)(1).)

Finally, the Public Service Commission of West Virginia recently included the following language in its Order in the West Virginia American Water Company (WVAWC) Case No. 15-0675-W-42T / Case No. 15-0675-S-42T: "…the Commission will direct WVAWC to seek authorization for an IRP (Infrastructure Replacement Program) Surcharge mechanism, if it chooses to do so, in a separate proceeding outside a general rate case filing." (February 24, 2016, p. 27).

b. The Orders authorizing the initial programs for Illinois, Indiana, New York, Missouri, Tennessee and Pennsylvania are attached.

c. The most recent Orders for Illinois American Water, Missouri American Water, New Jersey American Water, Indiana American Water, Tennessee American Water, and Pennsylvania American Water are attached.

d-f. Please refer to the attached comparison. This is the last four pages of the attachment. This information is current to the best of our knowledge.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois-American Water Company	**:**	
	:	
Application for Approval of its Proposed	**:**	**04-0336**
Qualifying Infrastructure Plant Surcharge	**:**	
Rider pursuant to 83 Ill. Adm. Code 656.	**:**	

ORDER

By the Commission:

I. Introduction

On April 14, 2004, Illinois-American Water Company ("IAWC" or the "Company") filed with the Illinois Commerce Commission ("Commission") an Application for Approval of a Proposed Qualifying Infrastructure Plant Surcharge Rider. Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, hearings were held by a duly authorized Administrative Law Judge at the Commission offices in Chicago, Illinois, on May 12, July 15, and September 20, 2004. Appearances were entered by counsel for the Company and the Staff of the Illinois Commerce Commission ("Staff"). At the conclusion of the hearing on September 20, 2004, the record was marked "Heard and Taken." No contested issues remained on that date.

The Company's Application is governed by Section 9-220.2 of the Public Utilities Act (the "Act"), which states:

> a. The Commission may authorize a water or sewer utility to file a surcharge which adjusts rates and charges to provide for recovery of (i) the cost of purchased water, (ii) the cost of purchased sewage treatment service, (iii) other costs which fluctuate for reasons beyond the utility's control or are difficult to predict, or (iv) costs associated with an investment in qualifying infrastructure plant, independent of any other matters related to the utility's revenue requirement. A surcharge approved under this Section can operate on an historical or a prospective basis.
>
> b. For purposes of this Section, "costs associated with an investment in qualifying infrastructure plant" include a return on the investment in and depreciation expense related to plant items or facilities (including, but not limited to, replacement mains, meters, services, and hydrants) which (i) are not reflected in the rate base used to establish the utility's base rates and (ii) are non-revenue producing. For purposes of this Section, a "non-

revenue producing facility" is one that is not constructed or installed for the purpose of serving a new customer.

c. On a periodic basis, the Commission shall initiate hearings to reconcile amounts collected under each surcharge authorized pursuant to this Section with the actual prudently incurred costs recoverable for each annual period during which the surcharge was in effect.

220 ILCS 5/9-220.2. The Commission adopted 83 Ill. Adm. Code 656, "Qualifying Infrastructure Plant Surcharge" ("Part 656") to implement Section 9-220.2 of the Act.

The Company is a corporation organized under the laws of the State of Illinois with its principal office in the City of Belleville, Illinois, and is engaged in the business of furnishing water and waste water service to the public in several communities affected by the Company's proposal herein, including: City of Alton; Village of Brighton; Village of Elsah; Village of Godfrey; City of Cairo; City of Belleville; City of Columbia; City of East St. Louis; City of Fairview Heights; City of Granite City; City of Madison; City of O'Fallon; City of Venice; City of Waterloo; Village of Alorton; Village of Brooklyn; Village of Cahokia; Village of Caseyville; Village of Centreville; Village of Fairmont City; Village of Millstadt; Village of Mitchell; Village of Pontoon Beach; Village of Sauget; Village of Shiloh; Village of Swansea; Village of Washington Park; City of Peoria; City of West Peoria; Village of Bartonville; Village of Bellevue; Village of Dunlap; Village of Hanna City; City of Streator; Village of Kangley; and City of Pontiac, Illinois. The Company is a public utility within the meaning of Section 3-105 of the Act. The Company provided notice of the filing of its Application herein in accordance with 83 Ill. Adm. Code 255.20(a), (f)(i) and 656.30 (c)(2)(3).

The Rider proposed by the Company is intended to recover only costs related to qualifying infrastructure plant ("QIP"), as described in Section 9-220.2 of the Act and 83 Ill. Adm. Code 656.40. All calculations under the Rider are in accordance with 83 Ill. Adm. Code 656.50 and 656.60. As a part of its Application, the Company filed the following proposed Tariff Sheets as IAWC Exhibits 1.1 and 1.2: Ill. C.C. No. 22, 2nd Revised Sheet No. 22, canceling First Revised Sheet No. 22; Ill. C.C. 22, Original Sheet Nos. 22.1 through 22.5; Ill. C.C. No. 5, Original Sheet No. 24; and Ill. C.C. 5, Original Sheet Nos. 24.1 through 24.5.

Pursuant to the above Riders, the Company is proposing to implement a QIP Surcharge Rider for its Single Tariff Pricing Rate Zone ("STP" or "STP Rate Zone"), which includes its Alton, Cairo, Interurban, Peoria, Streator, and Pontiac Districts. The Company states that its most recent rate case reflected a combination of those Districts for the calculation of the revenue requirement, and continued movement to uniform pricing for each of those Districts. (*See* Order (Aug. 12, 2003), 02-0690, at 3, 119.) The Company states that it may file a QIP Surcharge Rider for its other service territories at a future time.

II. Discussion

The QIP Surcharge Riders proposed by the Company would provide for implementation of a charge to cover a return on the capital costs related to replacement or rehabilitation of qualified non-revenue producing plant infrastructure. Such investment would include replacement mains, meters, meter installations, services and hydrants. The QIP Surcharge would apply only to qualified non-revenue producing investment, which has not yet been included in rate base in a rate case. The Surcharge is capped at 5% of base rates billed to customers, consistent with Code Section 656.30(a), and shall be subject to an annual reconciliation pursuant to Section 656.80 to ensure that revenues collected under the QIP Surcharge are equal to the actual costs prudently incurred. The Company asserts that its proposed QIP Surcharge Riders are consistent with the rules codified in Part 656.

The Company provided notice of this proceeding in compliance with 83 Ill. Adm. Code 656.30, and is maintaining copies of the QIP Surcharge Rider for public inspection and posting public notices in each utility office within the STP Rate Zone. The Company also provided notice by newspaper publication and by mailing a notice of the filing to each customer in the STP Rate Zone.

Company witness Stafford explained that a portion of the Company's infrastructure is nearing the end of its life expectancy and must be replaced. Since the Company must provide adequate, safe, reliable, and low cost service, it seeks to meet this requirement through use of the QIP Surcharge Riders. The Company asserts that implementation of the Riders will reduce the level of rate case costs that otherwise would be associated with infrastructure replacement. IAWC also anticipates that QIP projects will constitute an increasing part of its construction requirements over the next several years, and the related capital and depreciation costs would require a significant level of rate relief in the absence of the Surcharge.

Mr. Stafford further testified that water utilities are not able to postpone the construction of QIP projects so as to reduce the frequency of necessary rate relief. Customer needs require that replacement mains, meters, meter installations, services, hydrants and other non-revenue producing items be installed continuously, with the result that the in-service date of the constructed plant cannot be delayed to reduce rate case frequency. He also explained that such facilities must be placed in service when they are needed by customers or required by law or regulation, irrespective of rate timing. In addition, Mr. Stafford averred that the placement in service of new plant additions is one of the major factors driving the need for water utilities to seek increases in revenues. With the approval of the QIP Surcharge, he concludes, IAWC would be in a better position to absorb increases in non-QIP costs for a longer period. Customers therefore would benefit from the reduction in rate case frequency and expense. In addition, the QIP Surcharge would provide for more gradual rate increases.

Mr. Stafford opined that the QIP Surcharge will result in fair, just, and reasonable rates, and will operate only to provide a return on the investment in QIP not included in the Company's rate base. He also noted that none of the projects identified as QIP

were reflected in the test year of the Company's last rate case. In the Company's last rate case, Docket 02-0690, the Company used a future test year of calendar year 2003. None of the QIP projects were placed in service until after 2003 and, therefore, none were included in test year cost of service.

The cost of capital under the QIP Surcharge would be the approved overall rate of return in the prior rate order. The QIP Surcharge calls for use of the depreciation rates last approved by the Commission for the respective plant accounts in which the specific items of QIP are recorded. The Company acknowledges that, upon approval of a future rate increase, the QIP Surcharge will be reset as of the effective date of new base rates. The new rates will include in rate base the plant for which costs were formerly recovered through the QIP Surcharge. Only new qualifying plant additions—those not included in the rate base figure—would be eligible to be reflected in the QIP Surcharge subsequent to the effective date of new rates.

The QIP Surcharge will be expressed as a percentage applied to the total amount billed to each customer under the otherwise applicable rates and charges for customer charges, metered usage charges, and private and public fire charges. The QIP Surcharge revenue component would be reflected as a line item on the bill of each customer. The Company prepared an estimate of the percentage based upon a projection of QIP investment for the 2005 – 2009 period, which it filed as Exhibit 1.3 to its Application.

Mr. Stafford explained that the amount of QIP Surcharge revenue collected could vary from the actual amount of revenue needed to cover a return on the Company's investment in QIP plus taxes. As required by 83 Ill. Adm. Code 656.80, the QIP Surcharge will be subject to an annual reconciliation. Any difference between such revenues will be recouped from, or refunded to, customers. Mr. Stafford testified that the QIP Surcharge also includes a safeguard in the event that earnings in a given period exceed the authorized rate of return. For any calendar year in which the QIP Surcharge has been in effect and the realized rate of return exceeds the authorized rate of return, QIP Surcharge revenues collected during the year would be reflected as a credit in the QIP Surcharge adjustment factor effective on the first day of April of the following year, to the extent that such revenue contributed to realization of a rate of return above the authorized level during the prior calendar year.

Company witness Simpson provided the history of the Company's qualifying plant in the areas of Water Main Replacements & Relocations, Hydrant Replacements, Service Replacements, Meter Replacements and Meter Setting Replacements for the five-year period 1999-2003 for the STP Rate Zone. According to Ms. Simpson, the average number of breaks per mile for the STP Rate Zone has declined from an average of 0.67 breaks per mile in 1999 to 0.59 breaks per mile in 2003.

The Company proposed QIP replacements for the period 2005-2009. For 2005, the Company plans to replace 50,000 feet of water mains of various sizes within the STP Rate Zone. This represents a 4,327 feet per year, or 9.5%, increase above the

current 5-year average of 45,673 feet per year. IAWC also plans to replace 120 hydrants, which is an increase of 11 hydrants per year, or 10%, over the five-year average of 109 hydrants per year. The Company asserts that the increase is directly related to the increase in its small diameter water main replacement program. It additionally plans to replace 500 services, which is approximately double the average rate of replacement of services over the last five years. The increase is related to both the increase in water main replacement and the need to accelerate high priority service replacements. Furthermore, the majority of meters are on a 12-year replacement schedule. Based on this program, the Company will replace 13,243 meters in 2005, as well as 275 meter settings. In subsequent years, 2006-2009, the Company intends to maintain these rates of replacement, but projects that costs will increase 3% for inflation.

Finally, Ms. Simpson noted that Investment Projects (IPs) are those individual water main replacement or relocation projects that have a cost of $100,000 or greater, or are longer than 1,500 feet in length, or have a diameter greater than 12 inches. Relocation projects are the result of other infrastructure replacement activities by local, state and federal entities. The Company states that it does not have accurate information for these outside infrastructure replacement activities beyond a two-year time frame. For 2005, however, IP water main and water main relocation projects total $454,000. The Company states that the amount of replacement and relocation is less than recent years due to the elimination of the Illinois First program in 2003, and the large amount of investment by the Company in the Interstate-74 Relocation project in Peoria in 2001-2003.

Staff witness Smith does not oppose adoption of the QIP Surcharge Rider. Mr. Smith stated that a QIP Surcharge Rider provides rate relief and funding for the replacement of old and deteriorating distribution systems and reduces regulatory lag. In Staff's view, the Company has adequate resources to plan and construct infrastructure and to maintain proper financial records of QIP projects. Staff, however, was concerned that the Company's proposed riders would provide the Company too much discretion by allowing an option to use either an annual prospective operation or a quarterly historical operation for its QIP Surcharge. The Company replied that conversion to or from prospective or historical operation is contemplated by Code Section 656.60, but limits the selection of prospective operation only to circumstances where utilities use the future test year in their most recent rate case. Mr. Stafford recommended that language be added to the Company's proposed tariffs to clarify that prospective operation only will be used if the Company's preceding rate case utilized the future test year, and historic operation only will be used if the Company's preceding rate case utilized an historical test year. Staff concurred with this recommendation.

The projects supporting the cost identified on IWAC Exhibit 2.1 generally are of the type allowable for surcharge recovery under Section 656.40 of 83 Ill. Adm. Code. Mr. Smith also identified certain projects that did not qualify, including hydrants replaced due to vehicular collisions, and services replaced as a result of customer requests. Staff also asserts, and the Company agreed that, while touch pad and wiring costs

connected to the meter are includable in QIP, the equipment used to read the meter is not allowable as QIP. Therefore, the Neptune ProRead remote touch pad, while properly includable in rate base, is not QIP.

IAWC identified eight large customers who receive service under competitive contracts. The QIP Surcharge generally applies to customer charges for meter, volume and fire protection. Competitive customers are not exempt from the regulations found in Section 656 of 83 Ill. Adm. Code or any tariffs that are developed from this rule. The QIP Surcharge Rider does not impact competitive customers in the same way that it impacts a customer served under traditional cost-of-service regulated rates, however. Competitive contracts are based on market considerations rather than the cost to the Company to serve the competitive customer. Nevertheless, the meter, private fire, and public fire charges paid by the competitive contract customers are the same as those provided for cost-based customers. It therefore is reasonable to view these charges to reflect utility costs, including that of current infrastructure. Competitive service customers should pay the portion of the QIP Surcharge related to meter and fire protection charges, since they benefit from the infrastructure paid for by the Surcharge. Conversely, the volume charges of competitive contract customers are based on negotiation, rather than the cost of operating the system, so it is reasonable that these customers not pay QIP charges on the volume rates.

Mr. Smith also recommended that clarifying language be added to the tariff sheets to address that matter. In particular, Mr. Smith recommended that the following paragraph be added after Ill. C.C. No. 22, Second Revised Sheet No. 22, paragraph (B) and also after Ill. C.C. No. 5, Original Sheet No. 24, paragraph (B):

> (C) The QIP surcharge percentage shall not be applied to volume charges of competitive contract customers when those charges are established by contract, or to municipal or fire district charges where those charges are established by agreement.

Finally, Mr. Smith recommended that the Company's proposed QIP Surcharge Rider meet the requirements of Section 9-220.2 of the Act and that the revised tariffs conform to Section 656 of 83 Ill. Adm. Code. To that end, the Company, within 30 working days of the date of the Order in this proceeding and no later than the 20th day of the month preceding the effective date, should file a QIP tariff, as a compliance filing, with an effective date no earlier than the first day of the month following the issuance of the Order in this Docket. The Company also should file its QIP percentage on an Information Sheet with supporting data no later than the 20th day of the month preceding the effective date of the QIP Surcharge percentage. The Company concurred with this recommendation.

III. Commission Conclusion

The Company seeks approval of proposed QIP Surcharge Riders for its STP Rate Zone. The Riders would allow for the recovery of certain costs related to

qualifying infrastructure plant, and are proposed pursuant to Section 9-220.2 of the Public Utilities Act and 83 Ill. Adm. Code 656.

Section 9-220.2 of the Act provides in part that the Commission "may authorize a water or sewer utility to file a surcharge which adjusts rates and charges to provide for recovery of …(iv) costs associated with an investment in qualifying infrastructure plant, independent of any other matters related to the utility's revenue requirement." Section 9-220.2 of the Act also requires proceedings to reconcile the amounts collected with the actual costs prudently incurred for each year the surcharge is in effect.

The Riders should be revised, consistent with the agreement between the Company and Staff, to clarify that prospective operation of the Surcharge will only be used if the Company's immediately preceding rate case utilized a future test year and historical operation will only be used if an historical test year was used in the immediately preceding rate case. Also, the tariffs should clearly indicate the applicable portions of the QIP Surcharge with respect to contract, municipal, and fire district customers. Staff and the Company concur that, with those modifications, the proposed Riders meet the requirements of Section 9-220.2 of the Act and conform to proposed Part 656. The Commission therefore finds that the proposal of the Company to implement QIP Surcharge Riders for its STP Rate Zone, as revised, meets the requirements of Section 9-220.2 of the Act and Part 656 of the Commission's rules applicable to the implementation of QIP surcharge tariffs.

Within 30 business days from the date of this Order, and no later than the 20th day of the month preceding the effective date, the Company should file the Rider tariffs as a compliance filing, with an effective date of the first day of the following month. The Company should file the QIP Surcharge percentage on an Information Sheet no later than the 20th day of the month preceding the effective date of the QIP Surcharge Percentage.

IV. Findings and Ordering Paragraphs

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

(1) Illinois-American Water Company provides water service to the public in certain areas in the State of Illinois, and is a public utility within the meaning of the Act;

(2) the Commission has jurisdiction over the Company and the subject matter of this proceeding;

(3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;

(4) the proposed tariffs should be modified to clarify that prospective operation will only be used if the Company used a future test year in its

immediately preceding rate case, and historic operation will only be used if the Company used a historic test year in its immediately preceding rate case;

(5) the proposed tariffs should also be modified to clarify the language regarding certain charges to contract, municipal, and fire district customers, as discussed herein;

(6) the proposal of the Company to implement QIP Surcharge Riders for its STP Rate Zone, submitted as IAWC Exhibits 1.1 and 1.2 and revised in accordance with the conditions and determinations set forth herein, should be approved;

(7) within 30 business days from the date of this Order, and no later than the 20th day of the month preceding the effective date, the Company should file, as a compliance filing, tariffs substantially in the form of the QIP Surcharge Riders marked as IAWC Exhibits 1.1 and 1.2, as modified pursuant to Findings 4 and 5 above; such tariffs should be marked with an effective date of January 1, 2005, or the first day of any subsequent month;

(8) the Company should file the QIP Surcharge Percentage on an Information Sheet with supporting data no later than the 20th day of the month preceding the effective date of the QIP Surcharge Percentage; and

(9) the relief granted in this Order creates no presumptions with respect to whether the specific projects or types of projects described in the Company's filing in this proceeding meet the criteria for qualifying infrastructure plant set forth in Section 9-202.2 of the Act and Part 656 of the Commission's rules.

IT IS THEREFORE ORDERED that, subject to the conditions and determinations set forth herein, the proposal of the Company to implement QIP Surcharge Riders for its STP Rate Zone, substantially in the form of IAWC Exhibits 1.1 and 1.2, as modified by Findings 4 and 5 above, is hereby approved; accordingly, the Company is hereby authorized to file such tariffs;

IT IS FURTHER ORDERED that, within 30 business days from the date of this Order and no later than the 20th day of the month preceding the effective date, the Company should file, as a compliance filing, tariffs substantially in the form of the QIP Surcharge Riders marked as IAWC Exhibits 1.1 and 1.2, as modified by Findings 4 and 5 above; such tariffs to be marked with an effective date of January 1, 2005, or the first day of any subsequent month.

IT IS FURTHER ORDERED that, the Company should file the QIP Surcharge Percentage on an Information Sheet with supporting data no later than the 20th day of the month preceding the effective date of the QIP Surcharge Percentage.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 15th day of December, 2004.

(SIGNED) EDWARD C. HURLEY

Chairman

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA-AMERICAN WATER COMPANY, INC. FOR APPROVAL OF (A) A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") PURSUANT TO IND. CODE CHAP. 8-1-31; (B) A NEW RATE SCHEDULE REFLECTING THE DSIC; AND (C) INCLUSION OF THE COST OF ELIGIBLE DISTRIBUTION SYSTEM IMPROVEMENTS IN ITS DSIC	)	**CAUSE NO. 42351 DSIC-1**
	)	**APPROVED:** FEB 27 2003

BY THE COMMISSION:
Judith G. Ripley, Commissioner
William G. Divine, Administrative Law Judge

On December 19, 2002, pursuant to Indiana Code 8-1-31, Indiana-American Water Company, Inc. ("Petitioner" or "Indiana-American") filed its Petition seeking approval of a Distribution System Improvement Charge ("DSIC") for various improvement projects that were placed in service between August 1, 2001 and November 30, 2002. Given the statutory deadline requiring the Commission to issue an Order not later than sixty (60) days after a petition is filed under Indiana Code 8-1-31, the Presiding Officers, in lieu of convening a Prehearing Conference, issued a Docket Entry on December 27, 2002 establishing a procedural schedule for this Cause and scheduling an Evidentiary Hearing date of January 29, 2003. Petitioner prefiled its direct case-in-chief on December 19, 2002. The Indiana Office of Utility Consumer Counselor ("Public") prefiled its case-in-chief on January 21, 2003. The Petitioner prefiled rebuttal testimony on January 24, 2003.

Accompanying its Petition, on December 19, 2002, Petitioner filed a *Verified Motion for Establishment of Procedures to Protect Against Disclosure of Confidential Information* ("Motion to Protect Confidential Information"). The Motion to Protect Confidential Information sought confidential treatment of evidence to be introduced at the Evidentiary Hearing concerning Petitioner's security improvements made in response to the terrorist attacks of September 11, 2001. In addition to the claim of trade secrets, Petitioner claimed that detailed disclosure of its security improvements could jeopardize the effectiveness of its security system. In a December 30, 2002 Docket Entry, the Presiding Officers established a procedure that, following the public portion of the evidentiary hearing, an *in camera* session would be conducted for the purpose of eliciting detailed information about Petitioner's security improvements for which it was requesting approval of a DSIC. Attendance at the *in camera* session was limited to the Presiding

Officers, other Commissioners, and authorized Commission and Public employees. Based on a preliminary finding that the security improvements constituted trade secrets, the disclosure of which might also jeopardize a security system that is within the state's and national interest to protect, this Docket Entry provided that the record comprising the *in camera* session of the Evidentiary Hearing would be handled and maintained as confidential information, in accordance with Indiana Code 5-14-3.

Thereafter, and pursuant to notice published as required by law, an Evidentiary Hearing was convened on January 29, 2003 at 10:30 a.m. EST, in Room E-306 of the Indiana Government Center South, Indianapolis, Indiana. Petitioner and the Public attended and participated in the Evidentiary Hearing by presenting evidence into the record of this Cause. On January 29, 2003, at the conclusion of both the public and *in camera* sessions of the Evidentiary Hearing, this Cause was adjourned. On January 31, 2003, each party filed a Proposed Order that aligned with its testimonial position taken at the January 29, 2003 Evidentiary Hearing.

On January 30, 2003, Petitioner and the Public advised the Presiding Officers via telephone that they had reached a settlement agreement. The Presiding Officers agreed to consider a late-filed settlement agreement. On February 3, 2003, the parties filed their *Stipulation and Settlement Agreement* and a joint Proposed Order. Also filed on February 3, 2003, was *Petitioner's Notice with Respect to 60-Day Deadline*, which stated Petitioner recognized that the Commission's receipt and consideration of a settlement agreement at this point in the proceedings would require time beyond that allowed by Indiana Code 8-1-31-9(c) for the Commission to issue its Order and Petitioner would have no objection to an Order being issued beyond the 60-day deadline so long as an Order was issued by March 5, 2003. In order to receive the *Stipulation and Settlement Agreement* into the record of this proceeding, this Cause was public noticed according to law for an Evidentiary Hearing to be conducted on February 14, 2003. With Petitioner and the Public in attendance, this Cause was reopened on February 14, 2003, at 1:30 p.m. EST, in Room E306 of the Indiana Government Center South, Indianapolis, Indiana. The *Stipulation and Settlement Agreement* was admitted into the record at the Evidentiary Hearing and, with no members of the general public appearing or having expressed a desire to be heard, this Cause was adjourned.

1. **Notice and Jurisdiction.** The Commission published notice of the public Evidentiary Hearings held in this Cause as required by law. Petitioner is a "public utility" within the meaning of Indiana Code 8-1-2-1 and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana. This Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. **Petitioner's Characteristics.** Petitioner is an Indiana corporation engaged in the business of providing water utility service to approximately 268,000 customers in twenty-one (21) counties in the State of Indiana. Petitioner's corporate office is located in the City of Greenwood, Indiana. Petitioner provides water utility service by means of water utility plant, property, equipment and related facilities owned,

leased, operated, managed and controlled by it, which are used and useful for the convenience of the public in the production, treatment, transmission, distribution and sale of water for residential, commercial, industrial, sale for resale, public authority and public and private fire protection purposes. In addition, Petitioner provides sewer utility service in the City of Somerset, Wabash County, Indiana and in or near the City of Muncie, Delaware County, Indiana.

3. **Indiana Code 8-1-31.** Effective July 1, 2000, the Indiana Legislature enacted Indiana Code 8-1-31 which provides for the Commission to approve distribution system improvement charges in order to allow water utilities to automatically adjust their basic rates and charges to recover a pre-tax return and depreciation expense on Eligible Distribution System Improvements. Eligible Distribution System Improvements are defined as new, used and useful water utility plant projects that:

(a) do not increase revenues by connecting the distribution system to new customers;
(b) are in service; and
(c) were not included in the public utility's rate base in its most recent general rate case. Indiana Code 8-1-31-5.

A petition under Indiana Code 8-1-31 may not be filed more than once every twelve (12) months or in the same calendar year in which the public utility has petitioned the Commission for a general increase in its basic rates and charges. Indiana Code 8-1-31-10. The rate of return allowed on Eligible Distribution System Improvements is equal to the public utility's weighted cost of capital. Unless the Commission finds that such determination is no longer representative of current conditions, the cost of common equity to be used in determining the weighted cost of capital shall be the most recent determination by the Commission in a general rate proceeding of the public utility. Indiana Code 8-1-31-12. The Commission may not approve a DSIC to the extent the proposed DSIC would produce total DSIC revenues exceeding 5% of the public utility's base revenue level approved by the Commission in the most recent general rate proceeding. Indiana Code 8-1-31-13. The DSIC is to be calculated based upon a reasonable estimate of sales in the period in which the charge will be in effect. At the end of each 12 month period with the charges in effect, the difference between the revenues produced through the DSIC ("DSIC revenues") and the depreciation expense and pre-tax return associated with the Eligible Distribution System Improvements ("DSIC costs") shall be reconciled and the difference refunded or recovered as the case may be through adjustment of the DSIC. Indiana Code 8-1-31-14. When a petition to establish a DSIC is filed, the Public may, within thirty (30) days of the petition being filed, confirm that the system improvements are eligible and that the charges were properly calculated, and submit a report to the Commission. The Commission is required to hold a hearing and issue its order not later than 60 days after the petition is filed. Indiana Code 8-1-31-9.

4. **Relief Requested.** Petitioner seeks approval of a DSIC pursuant to Indiana Code 8-1-31, a new rate schedule reflecting the DSIC, and inclusion of the cost

of the Eligible Distribution System Improvements in Petitioner's DSIC. Briefly stated, Petitioner seeks to recover its DSIC costs for Eligible Distribution System Improvements placed in service between August 1, 2001 and November 30, 2002 amounting to $11,959,762. (The total cost of the projects for which Indiana-American claims the ability to recover through a DSIC is $13,270,267, with $11,959,762 representing the investor supplied additions and being the figure used to determine the requested DSIC revenue requirement due to reimbursement from the Indiana Department of Transportation ("INDOT") in the amount $1,310,504.) The depreciation expense of such improvements is $297,503 (calculated by using Petitioner's current Commission-approved depreciation accrual rates), with a return on the improvements using a weighted after-tax cost of capital of 7.83% (10.81% on a pre-tax basis). The rate of return was calculated based on Petitioner's current capital structure and debt cost rate and the cost of common equity determined by the Commission in Petitioner's last rate order. Petitioner's proposed DSIC would produce additional annual revenues of approximately $1,590,353, which would equate to an increase of approximately 1.29% above the rates currently in effect.

5. **Petitioner's Direct Evidence.** Petitioner's direct evidence was presented and supported by two (2) of its officers: Assistant Treasurer and Assistant Secretary James L. Cutshaw, who is a Senior Financial Analyst for Petitioner, and Alan J. DeBoy, Vice President of Engineering.

Mr. Cutshaw provided some general background information about DSICs, testifying that the purpose served by a DSIC is to provide an innovative ratemaking mechanism necessary to replace aging infrastructure, which is an issue of national concern. Mr. Cutshaw testified that DSIC revenues to be derived from approval of the Petition would amount to $1,590,353, which is 1.29% of its current base revenue level of $123,449,194. Mr. Cutshaw provided evidence concerning the calculation of the proposed DSIC and sponsored, as *Petitioner's Exhibit JLC-1*, Petitioner's proposed rate schedules reflecting the DSIC. He explained that the rate of return used in the DSIC revenue requirement calculation is Petitioner's weighted average cost of capital derived from Petitioner's capital structure as of November 30, 2002. The long-term debt cost rate used in the calculation is the average embedded long-term debt cost rate as of that date. A common equity cost rate of 10.5% was used because that rate was determined by the Commission in Petitioner's most recent general rate case in Cause No. 42029. The result is a weighted average cost of capital of 7.83% on an after-tax basis. This rate was converted to a pre-tax rate of 10.81% to include revenues for state and federal income taxes.

Depreciation expense was calculated by applying the applicable Commission-approved depreciation accrual rates to the Eligible Distribution System Improvements, net of related retirements. The proposed DSIC volumetric rate was calculated by dividing the DSIC revenue requirement by Petitioner's projected 2003 water sales. Mr. Cutshaw testified that the DSIC revenues that would be produced by the proposed DSIC will be less than 5% of Petitioner's base revenue level as approved in Petitioner's last base rate order.

Petitioner's witness Alan J. DeBoy sponsored *Petitioner's Exhibit AJD-1* that gave a brief description of each improvement project, the cost of each project, the date each project was placed in service, the account number assigned to each project based on accounting standards found in the Uniform System of Accounts, and Petitioner's operation area where each project exists. Mr. DeBoy generally described the projects as being replacement infrastructure, reinforcement infrastructure, or security improvements. Mr. DeBoy defined replacement infrastructure as consisting of mains, valves, hydrants, customer services, a water storage tank, process unit components like filter media, coating systems, and sludge collector drive units. Mr. DeBoy stated that a significant portion of main replacements are associated with right-of-way improvement projects where the location of Petitioner's mains conflicts with municipal improvement projects. Reinforcement projects, according to Mr. DeBoy, are projects that improve service to large areas of the existing distribution system by increasing flow capacity, and consist of new mains, a water storage tank in Hobart, Indiana, and a pump station located in Petitioner's Northwest operation referred to as the Taft Street Pump Station. Mr. DeBoy stated that security improvements provide enhancements that deter, delay and detect unauthorized entry to water utility property.

Mr. DeBoy also provided testimony that each improvement listed on *Petitioner's Exhibit AJD-1* was an "Eligible Distribution System Improvement" as defined in Indiana Code 8-1-31-5. As to the eligibility requirement that a project not increase revenues by connecting the distribution system to new customers, Mr. DeBoy testified that he had an understanding and familiarity with all of the projects listed on *Petitioner's Exhibit AJD-1*, and none on them increased revenues by connecting the distribution system to new customers. Regarding the second statutory eligibility requirement that all projects are in service, Mr. DeBoy stated that he has personal knowledge of the projects listed on *Petitioner's Exhibit AJD-1*. Mr. DeBoy further testified as to his understanding that before an in service date can be designated on Petitioner's accounting system the person responsible for oversight of the project must conduct a physical inspection to confirm that the project is in service. Mr. DeBoy also reiterated Mr. Cutshaw's testimony that none of the improvements were included in Petitioner's rate base in its most recent general rate case. Mr. DeBoy testified that the rate base cutoff date used in Petitioner's last general rate case was July 31, 2001, and that all projects listed on *Petitioner's Exhibit AJD-1* reflect in service dates subsequent to July 31, 2001.

6. Public's Case-In-Chief. The Public's case-in-chief was presented through three (3) of its employees: Edward R. Kaufman, Lead Financial Analyst in the Rates/Water/Sewer Division; Judith I. Gemmecke, Utility Analyst; and Scott A. Bell, Assistant Director of the Sewer/Water Division.

Mr. Kaufman asserted that Petitioner should not be allowed to recover through a DSIC proceeding those improvements to components of its utility that comprise source of supply, water treatment plant, general plant or security. After removing improvements to those utility components that should be disallowed, Mr. Kaufman proposed that completed plant amounting to $7,723,795 could be included in Petitioner's DSIC.

In his testimony, Public's witness Mr. Kaufman discussed the theory behind DSICs. Mr. Kaufman asserted that the DSIC was created as a special tool to provide utilities with additional resources to accelerate the replacement of aged distribution assets. Mr. Kaufman supported his analysis by quoting several sources including a January 18, 2000 memo from Eric W. Thornburg, former Vice President of Indiana-American, to the Members of the Indiana Senate Committee on Commerce and Consumer Affairs. This memo was included as *Attachment No. 1 to Public's Exhibit No. 1*. In that memo Mr. Thornburg stated as follows:

> This new technique will allow for the replacement of aged infrastructure, primarily pipelines, without the necessity of filing for a rate increase with the added cost to customers and delay of such undertakings. It does not include new main extensions that would produce additional revenues for the utility.

Mr. Kaufman then discussed the factors that differentiated distribution mains and other distribution assets from other investments made by utilities between rate cases. In *Public's Exhibit No. 1, pgs. 7 & 8*, Mr. Kaufman asserted as follows:

> There are several factors which in combination give weight to the need for a DSIC to specifically promote the replacement of old distribution system assets:
>
> 1) The scope of replacing these assets is very large.
>
> 2) The replacement of distribution system assets is ongoing or continuous in nature.
>
> 3) The replacement of distribution assets is a series of many small projects. Thus, a utility is unable to time a rate case around their replacement as it could for a single large project.

Mr. Kaufman added that if one accepts the supposition that the factors described above are so severe that traditional ratemaking is unlikely to adequately facilitate necessary infrastructure improvements on a large scale, then the same rationale needs to be used to determine what plant should be approved in a DSIC case. Mr. Kaufman contended that the purpose of a DSIC is to accelerate the repair and replacement of aging infrastructure that has not or would not occur under traditional ratemaking. He added that the DSIC was created as a special tool to promote the adequate replacement of old and/or dilapidated distribution assets. The DSIC should not be applied to typical investments made by water utilities on a regular basis and investments that can be handled through traditional ratemaking should be handled in that manner.

Mr. Kaufman also noted that Petitioner's proposed DSIC seeks to earn a return on and return of assets that did not rehabilitate its distribution system and that Petitioner was

using the DSIC as a catch-all for virtually all of its rate base additions (other than those that increase revenues by hooking up new customers to the distribution system). Mr. Kaufman then referred to several of Petitioner's responses to data request questions that highlighted Petitioner's assertion that the DSIC was designed to include treatment plant, general plant and source of supply assets as well as distribution assets. Mr. Kaufman added that Indiana-American's response to data request question 36 indicated that Indiana-American has not accelerated the replacement of its mains as a result of the opportunity to collect DSIC revenues.

Mr. Kaufman also asserted that the limited time frame of a DSIC procedure limited the Public's ability to conduct meaningful fact finding and that a DSIC procedure should not include additions that are controversial and/or require a lengthy review. Additionally, Mr. Kaufman stated that the DSICs used in Pennsylvania and Illinois had significant differences than the DSIC proposed by Petitioner. The key differences were that both Illinois' and Pennsylvania's DSICs limited recovery to very specific account categories, included an earnings test and required consumer notification. Finally, Mr. Kaufman proposed that any future DSIC should include a 10-year projection of plans to repair and rehabilitate its distribution. Mr. Kaufman argued that since the rationale of the DSIC is to promote the replacement of aging infrastructure it seems logical that utilities should have a plan on how and when they intends to replace aging infrastructure. Such a plan will help to address the concerns expressed by the parties that led to creation of the DSIC.

Also testifying on behalf of the Public was accountant, Judith I. Gemmecke. Ms. Gemmecke echoed Mr. Kaufman's beliefs about what should be included in a DSIC and discussed specific calculations of the DSIC given certain parameters shown below. In considering Ms. Gemmecke's testimony it is important to note that Petitioner presented its calculation for the DSIC which included a return of 10.81% (before tax) on additions made which Petitioner asserts are subject to the surcharge, less the amounts contributed by INDOT. To that result, Petitioner added depreciation, which it calculated by subtracting retirements from the total additions of assets. Ms. Gemmecke noted that by making no adjustment for those contributed funds, this calculation allows depreciation on Contributions in Aid of Construction ("CIAC").

Ms. Gemmecke, presented her calculation of the DSIC, which also included the 10.81% before tax return, but only on the additions the Public recommends should be allowed in the DSIC as discussed earlier. Her calculation decreases the allowable additions by the amount of related retirements at original cost. To that result, Ms. Gemmecke also added depreciation expense, which she calculated by subtracting retirements from the total additions of allowable assets. By making no adjustment for funds contributed by INDOT, this calculation also allows for depreciation to be collected on CIAC. Ms. Gemmecke points out in her testimony that Indiana is one of a handful of states that allows water utilities to collect depreciation on CIAC. Allowing depreciation on contributed plant accomplishes many of the same goals the DSIC was intended to accomplish -- namely, providing additional funds to replace aging distribution systems.

On *page 6 of Public's Exhibit No. 2*, Ms. Gemmecke included the following accounts in her calculation of the DSIC:

Account	Description
331001 –	TD (Transmission/Distribution) Mains Not Classified by Size (formerly Mains Conversions)
333000 -	Services
334200 –	Meter Installations
335000 –	Hydrants

The Public encouraged the Commission to use these same accounts in determining eligibility for a DSIC, especially in light of the time limitations for conducting discovery, conducting an evidentiary hearing, and issuing a final order.

The Public's engineering witness, Mr. Scott A. Bell, Assistant Director of the Public's Rates/Water/Sewer Division, testified that Petitioner's investments in Source of Supply, Water Treatment Plant and General Plant should not be included in the calculation of the DSIC. He also stated that there are some items Petitioner listed as Transmission and Distribution Plant that should also not be included in the calculation of the DSIC. Mr. Bell pointed out that Petitioner made investments in "Tank Security Improvements" in a number of its operational areas that total approximately $1,977,417. He stated that Petitioner has categorized those investments as "Transmission and Distribution Plant" and assigned to Account No. 330000. While having no independent knowledge of the exact nature of the security improvements other than what was represented by Petitioner in its pre-filed testimony, Mr. Bell testified that these "Tank Security Improvements" should not be considered eligible for inclusion in the calculation of the DSIC because these improvements are not repairs or replacements of aging transmission and distribution infrastructure, but rather are investments in the new security systems as a result of the increased security risks after September 11, 2001. He concluded that while it is important that a utility make prudent investments in security, such improvements should not be considered eligible for inclusion in the calculation of the DSIC. Mr. Bell recommended that Petitioner should recover its security related investments in a more appropriate proceeding.

Mr. Bell also testified about Petitioner's inclusion of the 1.5 MG water storage tank in Hobart, Indiana, which represents an investment of approximately $1,644,841. He testified that the water storage tank and associated facilities should not be eligible for inclusion in the calculation of the DSIC because the investment Petitioner made in the Hobart water storage tank was not only to replace an aging water storage facility, but also to provide additional storage capacity to adequately serve increasing water demands or to meet fire-flow requirements. He stated that, in effect, the Hobart water storage tank would increase Indiana-American's revenue by making it possible to connect the distribution system to new users. He concluded that the investment in the 1.5 MG storage facility should not be considered DSIC eligible.

7. **Petitioner's Rebuttal.** Mr. Cutshaw responded to the Public's testimony to exclude improvements that have been recorded as Source of Supply, Water Treatment Plant, General Plant, Distribution Reservoirs and security improvements. Mr. Cutshaw testified that Indiana-American reviewed the language of the statute, as written, to determine what improvements are and are not eligible. Mr. Cutshaw suggests that the Public is attempting to add factors not provided in the statute and is relying on variations of the DSIC implemented in the States of Pennsylvania and Illinois to support its position. Mr. Cutshaw testified that these additional factors are not found in Indiana Code 8-1-31 and stated that Indiana-American's proposed DSIC is calculated pursuant to the definition the Legislature used.

Mr. Cutshaw stated that it is significant that some of the improvements Indiana-American included as "Eligible Distribution System Improvements" could not be included in a similar rate adjustment in either Illinois or Pennsylvania because it reveals the differences in the Indiana legislation as compared to Pennsylvania and Illinois. He explained that the Pennsylvania variety of the DSIC was first employed before there was a statute specifically authorizing it. The Pennsylvania Public Utility Commission established its DSIC in the order that is included with Mr. Kaufman's testimony as *Attachment No. 4*. The only statutory authority for the request was the generic authority to approve automatic tracker mechanisms. The Pennsylvania Commission approved of the concept of a DSIC, and in the process, established all of the procedures and requirements for a DSIC without any guidance from the legislature. In doing so, the Commission defined what is and is not eligible. After the Pennsylvania DSIC was first approved in this fashion, the Pennsylvania legislature confirmed what the Commission had done, and left all decisions regarding the eligibility and implementation to the Pennsylvania Commission. 66 Pa. Cons. Stat. § 1307(g).

Mr. Cutshaw further testified that the Illinois variety of the DSIC is likewise very general. The Illinois legislature left the decision whether to approve a DSIC entirely up to the Commission, indicating that the Commission "may authorize" the mechanism. 220 Ill. Code § 5/9-220.2. Mr. Cutshaw states these differences are significant for purposes of Indiana's DSIC legislation because this alternative approach was available to the General Assembly when Indiana Code 8-1-31 was enacted. The Legislature could have left to the Commission the decisions whether a DSIC should be approved, what would be eligible and what procedures would govern, as has been done in both Illinois and Pennsylvania. He speculated that the Legislature chose not to do so and instead specifically chose to define what is authorized as a DSIC.

Mr. Cutshaw responds to Mr. Kaufman's concerns that Indiana-American has not increased its investment in the replacement of mains by noting that Indiana-American makes its investment decisions based upon what will be needed, when it will be needed, and whether and to what extent there is capital available. Indiana-American believes the DSIC should help with its ability to access capital by mitigating some of the effects of regulatory lag. The DSIC should therefore help Petitioner in its ability to make all types of rehabilitations, replacements, and improvements throughout its utility systems. Mr. Cutshaw did not consider it appropriate to eliminate the Hobart storage tank from the

DSIC asserting it was not included in rate base in Cause No. 42029, and that it does not increase revenues by connecting new customers. He also stated that, while not a requirement under Indiana Code 8-1-31, the Hobart storage tank is a replacement of existing tanks as explained by Mr. DeBoy.

In defending the inclusion of security costs, Mr. Cutshaw testified that the security improvements are improvements to existing infrastructure. Mr. Cutshaw suggests that if a 100-foot section of a main is replaced, the overall main will have been improved. In the same manner, if an investment is made to secure one of its facilities against a terrorist attack, the facility will have been improved. He does not believe an improvement to existing infrastructure should be treated any differently from the replacement of existing infrastructure. Mr. Cutshaw further testified that he believed adequate access to information had been provided to the Public related to the security improvements and he finds it significant that a Non-Disclosure Agreement was executed with the Utility Consumer Counselor and the Public's Water and Sewer/Rates Director. Mr. Cutshaw also disagreed that Indiana-American has provided no more information on the security-related improvements than it provided on security expense in Cause No. 42029. He stated that at issue in Cause No. 42029 were security-related Operation and Maintenance expenses as opposed to the capital items at issue here. He explained that Indiana-American has provided in this proceeding every security task order number, the total amount for each, and the operation for each in *Petitioner's Exhibit AJD-1*. Indiana-American also provided information on security capital expenditures through the presentation of its case-in-chief during the in camera portion of the hearing. Finally, Indiana-American's witnesses have been available to respond to any questions about the security program or task orders that are included in *Petitioner's Exhibit AJD-1*.

As to Mr. Kaufman's concern that the type of review that would be done in a rate case cannot be completed during the abbreviated process for a DSIC, Mr. Cutshaw stated that the DSIC was not intended to be and will not result in a final determination that the DSIC assets are in rate base for purposes of a general rate case. The Public will have the opportunity to conduct a full rate base review in its next general rate case.

Mr. Cutshaw stated that he did not believe limitations on accounts that are eligible for DSIC and an earnings test would be consistent with Indiana Code 8-1-31. However, Mr. Cutshaw believed a requirement for customer notice and a requirement that a utility file a forecast that could be updated in future DSIC proceedings could be consistent with the DSIC statute and could be adopted if the Commission finds appropriate. Mr. Cutshaw stated Indiana-American would be willing to comply with these requirements in future DSIC proceedings if the Commission requests, but suggested a five-year forecast instead of ten years.

Mr. Cutshaw does not agree with the Public's assertion that retirements should be deducted from additions subject to DSIC in determining the net investor supplied DSIC additions to which the pre-tax return is applied. Mr. Cutshaw explained that under mass asset accounting rules, retirements are treated as fully depreciated with the original cost

being deducted from both utility plant and accumulated depreciation. Such a retirement results in no change to the net book value of the Company's assets.

Mr. Cutshaw also disagreed with the depreciation rates used by the Pubic because different depreciation rates apply to Petitioner's Northwest, Mooresville, Warsaw, West Lafayette, and Winchester operations. Mr. Cutshaw provided a table that was later corrected at the hearing which reflects the appropriate depreciation rates. Next, Mr. Cutshaw disagreed with the Public's conversion from MGAL to CCF. Indiana-American determined the conversion to CCF (hundred cubic feet) by dividing the MGAL (thousand gallons) by 0.75. He explained that this is the same relationship that has existed in the Company's tariff sheets for many years.

Finally, Mr. Cutshaw disagreed with the Public's suggestion to separate Water Groups 1,2,3 into Water Group 1, Water Group 2, and Water Group 3. Mr. Cutshaw explained that this is inappropriate because the company's rate design has moved toward Single Tariff Pricing ("STP"). Rate base and operating income findings have been proposed and approved for the combined Groups, not for each separate Group mainly because there are different groupings for General Water Service, Sales for Resale, Private Fire Protection, and Public Fire Protection. The Groups shown on Schedule *No. 1 of Public's Exhibit No. 2* are the Sales for Resale groupings. For General Water Service there are only two Groups, with Johnson County and Southern Indiana in Group 2. Mr. Cutshaw stated it is consistent with the movement towards STP to continue to make one finding for Water Groups 1,2,3 as a whole as proposed on *Petitioner's Exhibit JLC-2.*

During Indiana-American's rebuttal case, Mr. DeBoy testified that he did not agree with Mr. Bell's opinion that the Hobart water storage tank should not be included in this case. He asserted that the Hobart tank satisfied the conditions for eligible distribution system improvements put forth in Mr. Cutshaw's testimony. Mr. DeBoy testified that he believed that Mr. Bell proposed to exclude the tank because it is new as opposed to replacement infrastructure. Mr. DeBoy noted that there is nothing in the statute that states only replacement infrastructure is eligible. He went on to explain that, in fact, the Hobart water storage tank actually replaced three elevated water storage tanks that were beyond economical repair.

8. Commission Findings and Analysis. We note, first, that the Petitioner and Public have filed a *Stipulation and Settlement Agreement.* The Commission has a clear standard for its review and consideration of settlement agreements. Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.,* 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition v. IPL Energy,* 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition,* 664 N.E.2d at 406.

As will be explained more fully below, we find that the public interest will not be served by approving the parties' settlement.

A determination of whether the Petition filed herein complies with Indiana Code 8-1-31 hinges on the phrase "distribution system." This phrase is not defined in Indiana Code 8-1-31 or elsewhere in Title 8 of the Indiana Code. In addition, the testimony of the Parties agrees neither on the meaning nor significance of this phrase. Petitioner contends that any improvement to a water utility qualifies for a DSIC so long as the improvement meets the eligibility criteria of (1) not increasing revenues by connecting the distribution system to new customers, (2) being in service, and (3) not being included in the public utility's rate base in the most recent general rate case. Indiana Code 8-1-31-5. Petitioner encourages the Commission to look to the plain language of the statute and find that any improvement to any component of a water utility qualifies for a DSIC, limited only by the above three (3) eligibility criteria. The Public, on the other hand, supports a more limited meaning of "distribution system," relying on legislative intent, DSIC legislation in other states, as well as an interpretation of the language of Indiana's DSIC statute that may tend to argue against the broad view advocated by Petitioner.

*A. **Meaning of "Distribution System."*** Use of the phrase "distribution system" as applied to different types of utilities, and of the phrase "water distribution system" as applied specifically to water utilities, is not foreign or uncommon to the Commission or to those whom it regulates. This Commission has used the phrases "distribution system" or "water distribution system" to identify one component of a water utility that is distinguishable from other water utility components. By way of example, on September 18, 2002, in Cause No. 42226, the Commission issued an Order in a proceeding brought by the same Petitioner in this proceeding, Indiana-American Water Company, Inc., seeking approval to acquire the water distribution system properties of the Town of Dune Acres. The Commission's Order in that acquisition proceeding restated Indiana-American's testimony as to the relief it was seeking: "He (Indiana-American witness, Randal D. Edgemon) testified that Indiana-American proposes to acquire only the distribution system assets consisting of the distribution mains, valves, hydrants and other appurtenances necessary to provide water service. This also includes the service lines, meters, and meter installation. Mr. Edgemon testified that Indiana-American is not purchasing the source of supply, storage or booster pumps related to source and treatment from Dune Acres. The remaining facilities not purchased will not be needed to provide service after the system is interconnected to Indiana-American's Northwest Operation." Cause No. 42226, September 18, 2002, pg.3.

Other Commission Orders have also distinguished the distribution system from other functional components of a water utility. See, for example, Cause No. 41684, August 4, 2000, pgs. 3 & 4: "The directors of North Dearborn Water Corporation authorized Robert E. Curry & Associates to perform an engineering study of the utility's source of water supplies, water treatment, water distribution system and elevated water storage for the purpose of determining the adequacy of the existing water works facilities to accommodate present and future water demands to the utility." In Cause No. 41879, July 3, 2001, pg. 2, it states: "Petitioner's facilities consist of a water distribution system serving the customers and a water treatment plant rated at 350,000 gal/day that was built

in 1952. Petitioner's facilities also include 2 wells with a pumping capacity of 350 GPM each and a water tower with a capacity of 150,000 gallons." From these examples, the commonly recognized components of a water utility are its source of supply (underground wells or surface water), treatment (water treatment plants), storage (elevated water storage tanks), and distribution (mains/pipes, valves, hydrants and meters needed to deliver water to customers). In short, this Commission and regulated water utilities commonly differentiate among their various utility components, including the segregation of activity into the "distribution system."

This differentiation was established in this proceeding in a response to a discovery request from the Public asking Petitioner to identify the categories of all relevant capital improvements. The discovery response, submitted by the Public into evidence (*Public's Exhibit No. 1, Attachment No. 3, pg. 20*), is a table containing information that Petitioner prepared using the same accounting format as other water utilities when submitting their Annual Reports to the Commission. More specifically, this table is an account matrix that corresponds to accounting practices originally promulgated by the National Association of Regulatory Utility Commissioners ("NARUC") and then adopted by most state public utility commissions, including Indiana's Commission. Indiana's adoption, by reference, of NARUC's rules governing the classification of accounts for water utilities is found at 170 IAC 6-2-2. A summary of Petitioner's account matrix, categorizing all of its proposed DSIC eligible projects, is illustrated below. The "Subsidiary Accounts" and their corresponding numbers shown on the vertical axis are further segregated by the matrix into classifications by function as shown on the horizontal axis (EG: "Source of Supply," "Water Treatment," and "Transmission and Distribution").

Subsidiary Account	Description	Amount	Source of Supply/ Pumping Plant Plant (SS)(PU)	Water Treatment Plant (WT)	Transmission & Distribution Plant (TD)	General Plant
303200	Land SS	143,998.81	143,998.81			
304100	Structures SS	74,673.16	74,673.16			
304200	Structures PU	545,787.04	545,787.04			
304300	Structures WT	111,572.31		111,572.31		
304302	Tank Ptg WT	49,498.00		49,498.00		
304800	Structures Misc	51,299.61				51,299.61
307000	Wells & Springs	31,632.50	31,632.50			
311200	Pump Eq Elec	320,973.09	320,973.09			
311300	Pump Eq Diesel	62,477.00	62,477.00			
320100	WT Equip	340,250.55		340,250.55		
320190	Wt Equip Clear	60,529.00		60,529.00		
320191	WT Equip Plant	27,903.00		27,903.00		
330000	Dist Reserv	3,622,258.29			3,622,258.29	
331001	Mains	5,020,306.63			5,020,306.63	
333000	Services	1,279,349.58			1,279,349.58	
334200	Mtr Installs	1,074,128.33			1,074,128.33	
335000	Hydrants	350,010.33			350,010.33	
343000	Tools/Shop	4,339.00				4,339.00
346100	Comm Equip	30,085.00				30,085.00
346190	Remote Instrum	10,608.00				10,608.00
347000	Misc Equip	58,588.08				58,588.08
Grand Total		13,270,267.31	1,179,541.60	589,752.86	11,346,053.16	154,919.69

The Public's evidence supports, for DSIC purposes, those project amounts identified in Subsidiary Account Nos. 331001 (Mains), 333000 (Services), 334200 (Meter Installations), and 335000 (Hydrants), totaling $7,723,795, all of which are further categorized functionally on the matrix within "Transmission & Distribution Plant." The only other Subsidiary Account Petitioner lists within "Transmission and Distribution Plant," and for which the Public's evidence supports exclusion from DSIC, is No. 330000 (Distribution Reservoir), amounting to $3,622,258.29, which the evidence shows accounts for all "Tank Security Improvements," and the installation of a 1.5 million gallon water storage tank in Hobart, Indiana.

This breakdown of a water utility into its various functional components is also used by the American Water Works Association ("AWWA"). In response to a bench question as to his definition of "distribution system," the Public's engineering witness, Scott A. Bell, answered by referring to the AWWA's Manual: *Principles of Water Rates, Fees, and Charges.* Mr. Bell specifically referred to Table 7-1 in the section of the manual regarding "Allocating Costs of Service to Cost Components," and described how that table separates a water utility's components into Intangible Plant, Source of Supply Plant, Water Treatment Plant, Transmission and Distribution Plant and General Plant.

We believe that the AWWA manual and NARUC's accounting system are consistent with the general understanding in the industry of what can and cannot properly be described as distribution system improvements in the context of water utility plant projects. Items that fall within the other functional categories (EG: Source of Supply/Pumping Plant, Water Treatment Plant, and General Plant) should not be considered distribution system for purposes of a DSIC.

B. DSIC Laws in Other States. We also note, as referenced in the Public's testimony, the comparison of Indiana's DSIC statute with the DSIC statutes enacted in other states, specifically Pennsylvania and Illinois. The DSIC statutes in these states contain many obvious similarities to Indiana's statute. In its *Exhibit No. 1, Attachment No. 4*, the Public produced in evidence an Order from the Pennsylvania Public Utility Commission ("PPUC") that discusses that state's DSIC statute. One issue before the PPUC in that proceeding, and an issue presented by the Public in this proceeding, was a concern that the DSIC statute would be in conflict with the traditional ratemaking process. In *Public's Exhibit No. 1, Attachment No. 4, pgs. 11 & 12* the PPUC states: "Recovery of this narrow set of (DSIC) costs is clearly permitted under Section 1307 (a)...and Pennsylvania case law; and, in the Commission's judgment, this proposal ("to file and implement an automatic adjustment clause to recover its distribution system improvement costs") is in no way a mechanism to "disassemble" the traditional ratemaking process for several reasons: first, the DSIC is designed to identify and recover the distribution system improvements costs incurred between rate cases; second, the costs to be recovered represent a narrow subset of the company's total cost of service; and third, the DSIC will be capped at a relatively low level to prevent any long-term evasion of a base rate review of these plant costs."

In this same Pennsylvania proceeding, the PPUC spoke generally about the purpose of a DSIC: "We agree with the company that the establishment of a DSIC would enable the company to address, in an orderly and comprehensive manner, the problems presented by its aging water distribution system, and would have a direct and positive effect upon water quality, water pressure and service reliability." *Public's Exhibit No. 1, Attachment 4, pg. 8.* This Commission agrees with and endorses such a purpose for a DSIC.

The evidence shows that in Illinois the only projects eligible for DSIC consideration are those that fall within the account numbers noted above: 331 (Transmission and Distribution Mains), 333 (services), 334 (Meters and Meter Installations) and 335 (Hydrants). *Public's Exhibit No. 1, Attachment 5, page 4.* These are the same accounts to which the Public proposes to limit DISC eligibility and, as shown in the above matrix, accounts to which Petitioner has assigned some of the projects for which it seeks approval of a DSIC. While not using the exact same account numbers, it appears from the evidence that Pennsylvania likewise generally limits DSIC-eligible property to services, meters, hydrants and mains. *Public's Exhibit No. 1, Attachment 4, page 18.*

C. A DSIC Proceeding is an Expedited Proceeding. In contrast to traditional rate case proceedings, Indiana Code 8-1-31 obviously intends for a

determination on a DSIC automatic rate adjustment to be made in an abbreviated and accelerated fashion. First, public notice that a DSIC petition has been filed is not required. Indiana Code 8-1-31-8(c). In addition, the Public is under a statutory deadline to issue a report to the Commission, if it chooses to do so, no later than thirty (30) days after the petition is filed. And the Commission is required to conduct a public evidentiary hearing and issue an order within sixty (60) days of the DSIC petition being filed. Indiana Code 8-1-31-9. These short time frames are not indicative of a proceeding that would require any extensive discovery on the part of the Public or review on the part of the Commission of complex projects that are often, and appropriately, the subject of traditional rate case proceedings.

These short time frames are, however, consistent with purposes set forth in Eric W. Thornburg's memo to the Indiana Senate, urging passage of the DSIC legislation. As noted above, Eric Thornburg was Vice President of Indiana-American. Mr. Thornburg stated as follows:

> Regardless of their size and complexity, a common challenge is the age of underground infrastructure, the water mains that convey the product to the customer's tap. The principal focus of regulatory and financial resources has been on improving the quality of our drinking water primarily through promulgating water treatment standards. However, once the water leaves our plants, it travels through piping systems that can be 125 years old.
>
> With so much of the capital available going towards improving water treatment systems, little has been available for replacing pipelines. Compounding the situation is the cost differential. New water lines vary in cost depending on their size, but typical installations average $20 – 100 per foot. We are often retiring pipe that cost less than $1 per foot when it was installed and rate shock can result.
>
> This new technique will allow for the replacement of aged infrastructure, primarily pipelines, without the necessity of filing for increases with the added cost to customers and delay of such undertakings. It does not include new main extensions that would produce additional revenue for the utility.
> *Petitioner's Exhibit No. 1, Attachment No. 1.*
> (Emphasis added.)

If Indiana-American's request in this proceeding were consistent with its former Vice President's description of the DSIC legislation, it would not have included improvements to utility components such as water treatment or source of supply, or security improvements, but would have concentrated primarily on the replacement of pipelines, meters and hydrants within the distribution system. In this proceeding, however, Petitioner contends that the lack of qualifying language in Indiana Code 8-1-31-5 to specifically limit "water utility plant projects" to projects within the "distribution system" results in DSIC eligibility for any utility plant project that is in service, was not included in the utility's last rate case, and was not a project to hook-up new customers.

D. Legislative Intent. To the extent Petitioner's reading of this statute has merit we rely on what the courts have said regarding the discernment of legislative intent. "The intention of the legislature, as ascertained from a consideration of the act as a whole, will prevail over the literal meaning of any of the terms used therein." *Brown v. Grzeskowiak*, 230 Ind. 110, 101 N.E. 2d 639 (1951). In *City of Indianapolis v. Evans*, 216 Ind. 555, 24 N.E.2d 776, (1940), the court said: "The legislative intent, however, is to be ascertained by an examination of the whole, as well as the separate parts of the act, and when so ascertained, the intention will control the strict letter of the statute or the literal import of particular terms of phrases, where to adhere to the strict letter or literal import of terms would lead to injustice, absurdity, or contradict the evident intention of the legislature." And in *Rexing v. Princeton Window Glass Co.*, 51 Ind. App. 124, 94 N.E. 1031 (1912), we look to the language: "The purpose and scope of an act of the legislature must be determined from its title," and then to the title of Indiana Code 8-1-31, which is: "Distribution System Improvement Charges." When read as a whole, particularly with the intended and repeated reference to "distribution system," we find the most reasonable intent of Indiana Code 8-1-31 is to limit water utility plant projects to projects that are within the utility's distribution system.

E. The Language of Indiana Code 8-1-31. In addition, we also find the actual language of Indiana Code 8-1-31 to be consistent with our finding as to legislative intent. We, therefore, do not accept Petitioner's assertion that a plain language examination of Indiana Code 8-1-31 necessarily results in the conclusion that eligible improvements under this statute include <u>any</u> utility improvements that do not increase revenue by connecting the distribution system to new customers; are in service; and were not included in the utility's last general rate case. Indiana Code 8-1-31-5 states:

> As used in this chapter, "eligible distribution system improvements" means new used and useful water utility plant projects that:
>
> (1) do not increase revenues by connecting the distribution system to new customers;
> (2) are in service; and
> (3) were not included in the public utility's rate base in its most recent general rate case.

This statute specifically disallows DSIC eligibility for "water utility plant projects" that would increase revenues by connecting the "distribution system" to new customers. This is one place in the statute where the phrase "water utility plant projects" is juxtaposed against the phrase "distribution system," thereby imparting a meaning to "distribution system" that is narrower than that of "water utility plant projects." If the broad meaning of "water utility plant projects" was intended to carry through all of Section 5, why qualify Section 5(1) with the phrase "distribution system?" We find it a reasonable interpretation that the statute as written is stating what was obviously intended, which is that the type of water utility plant projects contemplated are necessarily within the water utility's distribution system.

In addition, this juxtaposition of the phrase "water utility plant projects" with the phrase "distribution system" results only in a limitation that excludes from DSIC eligibility a particular category of utility plant project within the distribution system (connecting to new customers). Connecting to new customers describes a classic type of distribution system activity within the common meaning of "distribution system" as discussed above. We do not find it logical that this "Distribution System Improvement Charge" statute, with this single, exclusionary reference to a specific type of "distribution system" project, intended thereby to open the door of DSIC eligibility to any other "water utility plant project." Rather, we find that this one exclusion of a type of project within the distribution system is meant to thereby imply the inclusion, or DSIC eligibility, of all other types of distribution system improvements. We find the language and intent of this statute to include the requirement that a water utility plant project, in order to be eligible for DSIC consideration, must be a project within the "distribution system," limited, as to type of project, only by the ineligibility of projects that connect to new customers.

Accordingly we find, as applied to water utilities, that a common and consistent meaning of the phrase "distribution system" is found: in our previous Orders, in other states' DSIC laws, and in the water utility industry in general. We find that meaning identifies one component of a water utility that is distinguishable in plant and function from other components such as source of supply, water treatment and, in some instances, water storage. We also find that the evident legislative intent of Indiana Code 8-1-31, as well as the express language of that statute, conveys that same meaning. We cannot conclude that the Indiana General Assembly chose to adopt and repeatedly refer to "distribution system" in Indiana Code 8-1-31 as a way to generally identify, as Petitioner contends, the whole of a water utility. As to what water utility projects fall within the distribution system for DSIC eligibility, we find it within the purpose and meaning of Indiana Code 8-1-31 to look to the categories or accounts that the water utility industry uses, and specifically NARUC's system of accounts, to identify projects that are within a utility's distribution system.

F. Projects and Amounts to Be Included and Excluded as Distribution System Improvement Charges. Of the $13,270,267 Petitioner has requested for DSIC eligibility, the Public sought to allow $7,723,795. All of this $7,723,795 is categorized on Petitioner's matrix within the following Subsidiary Accounts: " Mains (331001), Services (333000), Meter Installations (334200), and Hydrants (335000). And all of these Subsidiary Accounts are contained within the functional category: "Transmission and Distribution." Based on our discussion above, since these improvements are categorized as being within Petitioner's distribution systems, we find that they should be approved for DSIC recovery.

The Public sought to disallow $5,546,472, which includes $2,402,473 for security improvements and $3,143,999 for non-security improvements that the Public claims are either not distribution system improvements or are otherwise not eligible. Of the total amount the Public seeks to disallow, $1,499,158 relates to costs for non-security projects, and $425,057 is for security-related projects, that Petitioner has categorized on its matrix within the functional categories of "Source of Supply/Pumping," "Water Treatment," and

"General Plant." Petitioner has categorized the remaining $3,622,258 within the matrix category of "Transmission and Distribution." Of that Transmission and Distribution amount, $1,644,841 accounts for the cost of a project to erect a tank in Hobart, Indiana, and $1,977,417 relates to various projects to improve tank security.

Based on our analysis above of the DSIC statute, we find that all non-security projects that fall outside of improvements to the utility's distribution system; that consist of improvements to Source of Supply/Pumping, Water Treatment and General Plant, should be excluded from recovery of a DSIC charge. In this proceeding, therefore, $1,499,158 should be excluded.

We turn our attention next to the $1,644,841 attributed to placing a new water tower in service in Hobart, Indiana. We agree that the Hobart Water Tower was properly categorized by Petitioner on the account matrix discussed above as being functionally within "Transmission and Distribution Plant", in Subsidiary Account No. 330000 ("Distribution Reservoir"). Based on our discussion above, that fact argues for inclusion of the water tower as a DSIC. However, we also note that both Pennsylvania and Illinois do not include "Distribution Reservoir" in their definition of DSIC eligible, distribution system projects. That fact suggests, as we believe, that water storage may go beyond the distribution system improvements contemplated by this statute. We are not convinced that the replacement of three (3) water towers with one tower that is three (3) times the capacity of the three (3) replaced towers combined, at a cost of $1.5M dollars, could be adequately reviewed by the Public and determined by this Commission within the time prescribed for the issuance of a DSIC Order.

The construction of new or replacement water storage tanks is accomplished at a considerable expense for water utilities. That expense is ultimately borne by water utility customers, who are the ratepayers. In this proceeding, the Hobart Water Tower is the most expensive single project that Petitioner has presented to this Commission for DSIC approval. As already noted, the DSIC statute does not require public notice that a DSIC petition has been filed. It is difficult to reconcile the inclusion of projects of this magnitude with the procedural constraints imposed by the DSIC statute. Consideration of the water tank in this proceeding is complicated even more by the fact that this tank project has resulted in an infrastructure very different from the infrastructure it has replaced. All of these considerations serve to emphasize the limitations built into the DSIC statute that are not found in a traditional rate case, such as a longer review period and more public notice, all of which are very important for projects of this size and scope. Referring to a Pennsylvania court decision, the PPUC stated: "...the purpose of (Pennsylvania's automatic rate adjustment law) is to permit reflection in customer charges of changes in one component of a utility's cost of providing public service without the necessity of the broad, costly and time-consuming inquiry required in a...base rate case." *Public's Exhibit No. 1, Attachment 4, pg. 10.*

It is also arguable that the costs of the Hobart Water Tower project are subject to allocation, with some costs being DSIC eligible and some not being DSIC eligible. But there is not sufficient evidence in this proceeding to support a cost allocation. Even if

such evidence did exist, timely review would be hindered by the complexity of allocation techniques and by the statutory deadlines inherent to DSIC proceedings that have already been discussed.

Mr. DeBoy testified that the Hobart Water Tower project was in the planning stage prior to Petitioner's acquisition of the Northwest Indiana Water Company, though not placed in service until after its last rate case was filed on June 29, 2001 in Cause No. 42029. This Commission approved Indiana American's acquisition of the Northwest Indiana Water Company on December 15, 1999. We note, however, our rate Order in Cause No. 42029 gave consideration to certain of Petitioner's projects (Tunnel Project, Newburgh Project, and Wabash Valley Project) that included estimated costs and estimated in-service dates for completion. Thus, the Commission has allowed for projects that are not yet in service and outside the test year to be included in rates during traditional rate case proceedings. Petitioner could have effectively included the Hobart Water Tower in this most recent traditional rate case, which allowed for a two-step increase to be phased in upon completion of the Tunnel Project.

We also note that the Hobart Water Tower was constructed, at least in part, with additional customer revenue in mind. Mr. DeBoy testified that it would have been shortsighted for Petitioner not to consider future needs in determining the capacity of the Hobart Water Tower and that additional customers were, in fact, a consideration in determining the size tank to build. Notwithstanding, therefore, the argument that the Hobart Water Tower can be described as a distribution system improvement, there is also evidence that a substantial portion of the much larger water tower will increase revenues by permitting connection of the distribution system to new customers, thereby making it ineligible for DSIC recovery. Of course we realize, first, that no water utility customer is directly connected to a water storage tank and, second, that some aging distribution system infrastructure, such as mains, could, for example, be replaced with larger diameter mains in response to or anticipation of new customers, yet still be DSIC eligible. A new or replacement water tower, however, can play a significant role in connecting new customers. It is clearly the intent of the DSIC statute to exclude distribution system projects that connect to new customers, and we find this water tower, with its ability to generate new revenue, fits within the purpose of that exclusion.

This Cause is the first DSIC proceeding brought before this Commission, and our findings and conclusions will impact future DSIC petitions. It is a primary charge of this Commission to ensure just and reasonable utility rates. The traditional ratemaking process contains the safeguards needed for comprehensive review, particularly of complex and expensive projects, by the Public, the Commission, and the public in general. We find the DSIC statute is similar in purpose to other "tracker" statutes that allow utilities expedited adjustment to rates in matters that fall outside the need for the comprehensive review allowed in a traditional rate case.

We are, however, not prepared to find in this proceeding, as has been determined in Pennsylvania and Illinois, that any project categorized within "Distribution Reservoir" is not DSIC eligible. Distribution Reservoir projects presented to the Commission for

DSIC recovery will be considered on a case-by-case basis. We find only, for all of the above reasons specific to this particular project, that the Hobart Water Tower project is not DSIC eligible.

Finally, we address the $2,402,473 in security costs that Petitioner has proposed for DSIC recovery. An amount of $425,057 for security improvements is DSIC excludable for the same reason as the non-security improvements above that did not take place within the distribution system. And even though Petitioner has categorized a portion ($1,977,417) of its security costs as being projects within the distribution system, we find that those security costs should also be excluded from DSIC recovery. We agree with the Public's testimony that the purpose of a DSIC proceeding is to encourage, through an expedited and automatic rate increase, repair or replacement of a distribution system's aging and failing infrastructure. Security improvements, while providing overall improvement to a utility, are not the type of infrastructure improvements contemplated by DSIC statutes.

In addition, given the highly sensitive nature of all security system information, more time than the DSIC statute allows is needed to permit the Public as well as the Commission to fulfill its statutory duties. Indiana Code 8-1-31-9(b) states that the Public may issue a report on a DSIC request within thirty (30) days of the petition being filed. The Public testified, through Mr. Kaufman, that any discovery about improvements that are claimed to be sensitive is difficult and arguments about the recovery of those improvements are awkward, thereby suggesting a lengthier process to ensure adequate review. Given the time needed for the Public and Petitioner to enter into a standard confidentiality agreement, plus the time needed for possible discovery on these sensitive issues, would almost certainly require more than thirty (30) days for the Public to conduct a meaningful review. In addition, given the sixty (60) day time limit for the Commission to issue an order, the meaningfulness of our review is hampered by additional procedures that must be considered and invoked in order to ensure proper confidential handling of sensitive information. Again, the point simply being that the additional complexities of considering security improvements are better suited for a traditional rate case proceeding.

In response to Mr. Kaufman's concern that the review performed in a traditional rate case cannot be completed during the abbreviated process for a DSIC, Mr. Cutshaw stated that the DSIC process was not intended to and will not result in a final determination that the DSIC assets are in rate base for purposes of a general rate case and that the Public will have the opportunity to conduct a full rate base review in the utility's next general rate case. We note, however, that Petitioner's assertion that an imprudent investment can be subsequently removed from rate base does not justify its inclusion in a DSIC. If an investment is, in fact, subsequently excluded from rate base in a future rate case, then ratepayers will have paid both a return on and of an asset that was determined to be ineligible. It is unfair for ratepayers to have incurred such a cost. Moreover, if an asset does not belong in rate base then ratepayers should not have to pay a return on and of that asset. Given the limited time frame, DSIC eligible assets should only include assets that require a minimal review and whose inclusion in rate base is assumed to be reasonable.

For the foregoing reasons and without need to refer to specific categories or describe even in general terms Petitioner's security improvements and without need to make any determination as to the relative prudence of those improvements, we deny recovery of the security improvements in this DSIC proceeding. We find that, without regard to what component of a system they are designed to make secure, security improvements do not properly fall within the descriptor "distribution system improvement" and were not intended to be recovered in a DSIC proceeding regardless of their desirability. In so concluding, we also agree with the Public's testimony that a utility's undertaking of prudent security measures should not be dissuaded. With a heightened concern about terrorist attacks, we encourage utilities to take prudent measures to ensure that their facilities and employees are protected, and to ensure that a safe product can be delivered to consumers. Given, however, the need expressed by Petitioner to be sensitive to the need to maintain secrecy where appropriate, a DSIC case simply does not allow sufficient time to afford due process to the parties and adequate time for the Commission to balance the need for secrecy with the expedited review required by statute. Petitioner may seek to recover these expenditures in a subsequent general rate case.

In addition to the foregoing reasons to exclude security improvements as well as the other excluded items we believe our position here is reasonable given our practice of allowing utilities to recover depreciation of contributed property. In Cause No. 39595, the Commission stated on page 23, "The Commission's current policy of allowing the recovery of depreciation on the contributed property provides to the Company additional internally generated funds to cover at least part of the replacement cost." Indeed, Petitioner's last rate case, Cause No. 42029, had $60 million in CIAC on which depreciation was calculated and included in rates.

Also, We agree with the Public's recommendation that future DSIC proceedings should include a projection of plans to repair and rehabilitate the distribution system, but find Petitioner's suggestion that such a projection be limited to a 5-year forecast, as opposed to 10 years, to be more reasonable.

G. Calculation of Distribution System Improvement Charges. As to calculation of a DSIC, both Petitioner and the Public agree the before tax rate of return should be 10.81% on certain additions less the amounts contributed by INDOT. The Public further reduces the amount on which the return applies by the original cost of those assets that are now no longer in service as they have been replaced by the assets eligible for the DSIC. Petitioner has acknowledged Indiana allows a return on the Fair Value of assets. Petitioner also acknowledges that if such asset values were not eliminated in the DSIC calculation, Petitioner would earn a return on assets no longer in service as well as earning a return on the replacement of those assets. On cross-examination by the Public, Petitioner's witness Mr. Cutshaw indicated, under Petitioner's method of calculation, it will be earning a return on the fair value of the assets which have been retired as well as earning a return on these new assets, some of which were replacements for those assets retired. In its proposed order, the Public notes that Mr.

Cutshaw asserted in his rebuttal testimony that retirements should not be deducted from rate base additions in a DSIC because, under mass accounting rules, when a utility retires an asset it has no impact on the utilities net book value. We observe that such a rationale may be technically correct, but it is also irrelevant since such a factor would only apply in original cost ratemaking. Petitioner's rate base is based on the fair value of its assets. When any asset with a positive fair value is retired that will reduce the utility's fair value rate base. Thus, if retirements are ignored and a utility is allowed to earn a return on new plant through a DSIC, they will collect a return on both the new plant through its DSIC and on the retired asset through its return on the fair value rate base determination from the utility's last rate case. (We asked Mr. DeBoy if it could be determined when individual assets that have been retired were purchased. He indicated that it would be possible by pulling fixed asset records. We note that this information appears to be found in the response to data request question 33 included in *Attachment No. 3* to Mr. Kaufman's testimony.)

Petitioner did not provide the fair value determination from their last rate case for the items retired. We agree with the Public as to the net amount eligible to receive a return on. We therefore find Petitioner may receive a 10.81% before tax return on $5,859,778 of net additional plant.

In Cause No. 42029, the Commission determined that the fair value of Indiana American's rate base was $562,680,669. The Commission also determined that Indiana American's original cost rate base was $403,085,800. Mass accounting rules do not apply to the Commission's determination of a utility's fair value and any retirement of plant will impact the fair value rate base. In Cause No. 42029, Mr. Deboy used a replacement cost new less depreciation study to estimate Indiana American's fair value. His methodologies for the study are described on page 26 of our final order in that Cause. While aged plant that is retired may have a negligible original cost, the fair value of such retired assets may not be negligible and not so easily determined.

Both Petitioner and Public agree on the method of calculating depreciation. Each took what they considered DSIC eligible assets, deducted retirements, and applied the appropriate depreciation rates. The disagreement is in what constitutes DSIC eligible assets. Applying our previous decision as to what assets are DSIC eligible, we therefore find Petitioner may earn depreciation in the amount of $163,849.

As to Petitioner's objection to Ms. Gemmecke's unbundling of the Water Groups, the Commission notes that Ms. Gemmecke provided not only each water group on its own, but also as a total of all water groups. The Commission does not have a blanket stance on single-tariff pricing, but considers each case on it own merits. Ms. Gemmecke's schedules were helpful in determining if we should take the same stance in this case as we took in Cause 42029 regarding the movement toward single-tariff pricing for Indiana-American. This abbreviated proceeding does not allow us to re-visit that issue; therefore we have determined to apply the increase to the Groups as an average. We therefore find the calculations of eligible DSIC assets should be calculated and applied according to the schedule below:

DSIC Calculation and Rate Schedule

	Total	Total Water Groups 1, 2, 3	Wabash	Northwest	Mooresville	Warsaw	West Lafayette	Winchester
Additions subject to DSIC	$7,723,795	$5,942,722	$169,439	$969,547	$78,349	$73,118	$144,716	$345,905
Less Reimbursement by INDOT	1,310,504	1,310,504	0	0	0	0	0	0
Less Retirements	553,513	406,378	23,638	83,146	6,974	3,566	16,027	13,784
Net Investor supplied DSIC Additions	5,859,778	4,225,840	145,801	886,401	71,375	69,552	128,689	332,121
Pre-tax Rate of Return	10.81%	10.81%	10.81%	10.81%	10.81%	10.81%	10.81%	10.81%
Pre-Tax Return on Net DSIC Additions	633,442	456,813	15,761	95,820	7,716	7,519	13,911	35,902
Depreciation on DSIC Additions	163,849	132,872	3,660	14,073	2,354	1,520	3,859	5,511
Total DSIC Revenues	797,291	589,685	19,421	109,893	10,070	9,039	17,770	41,413
DSIC Rate per MGAL	**$0.0219**	**$0.0267**	**$0.0256**	**$0.0101**	**$0.0288**	**$0.0110**	**$0.0142**	**$0.2027**
DSIC Rate per CCF	**$0.0164**	**$0.0200**	**$0.0192**	**$0.0076**	**$0.0216**	**$0.0083**	**$0.0107**	**$0.1521**

H. Confidential Information. The December 30, 2002 Docket Entry issued in this Cause made a preliminary determination that security-related evidence received during the *in camera* portion of the Evidentiary Hearing would be handled and maintained as confidential pursuant to Indiana Code 5-14-3. This preliminary determination was based on the trade secret exception to disclosure found in Indiana Code 5-14-3-4, as well as the need to protect security-related information that, if disclosed to the public, would jeopardize a security system that is within the state's and national interest to protect. The Commission hereby makes a permanent determination that the record of the *in camera* portion of the Evidentiary Hearing conducted in this Cause on January 29, 2003, shall be handled and maintained as confidential in accordance with Indiana Code 5-14-3.

I. *Settlement Agreement.* The parties' *Stipulation and Settlement Agreement* filed in this proceeding proposes several significant findings that differ from the findings we have made herein. First, the *Stipulation and Settlement Agreement* proposes a finding that the Hobart Water Tower is an eligible DSIC project. Second, the Settlement Agreement proposes to include as DSIC eligible a pump station project ("Taft Street Pump Station") that is excluded from eligibility herein because it was not categorized by Petitioner as being within the distribution system, except for an individual pump station project that was categorized on Petitioner's matrix as being a "Main" project within "Transmission and Distribution." The remainder of the Taft Street Pump

Station projects were categorized as being within "Source of Supply/Pumping," and, therefore, excluded. Mr. DeBoy testified that the Taft Street Pump Station improves service to the distribution system. The Public, in its testimonial Proposed Order, states that the Taft Street Pump Station should be considered as being within the distribution system, though still DSIC ineligible because of testimony that it would increase the ability to connect to new customers. We are not convinced, however, that the best evidence shows anything other than a majority of the Taft Street Pump Station projects were correctly categorized as being outside of the distribution system. The third difference between the *Stipulation and Settlement Agreement* and our findings herein is the proposal that all security improvements, including tank security improvements, be excluded from DSIC recovery, but that the portion attributable to "tank security improvements" ($1,977,417) be allowed to accrue "post-in-service" allowance for funds used during construction ("AFUDC") and deferred depreciation.

AFUDC is a recognized accounting mechanism that allows a utility to accrue the cost of debt related to major construction projects during the construction period. Once an in-service project is approved in a general rate proceeding for inclusion in rate base, the utility can begin earning a return on the value of the project. However, economic erosion to the utility can occur if there is a significant lag between the time the project is placed in service and the time of the utility's next general rate proceeding. This is because once the project is placed in service, but before it is approved for inclusion in rate base as an asset of the utility, not only does AFUDC cease as an available accounting tool, but also depreciation commences which is ultimately subtracted from the net original cost of the project to determine its value in rate base. In order to avoid the economic erosion that would otherwise result to the utility, the Commission can authorize, during this lag period, the continued, or "post in-service," accrual of AFUDC as well as deferring depreciation.

Most cases brought before this Commission seeking post in-service AFUDC and deferred depreciation ("AFUDC Remedy") contemplate that remedy from the outset. The AFUDC Remedy in this proceeding, however, was apparently not contemplated, and obviously not sought, until the submission of the late-filed settlement agreement. In determining the appropriateness of the AFUDC Remedy, we have previously said: "The precedents are clear that the requested treatment (the AFUDC Remedy) is appropriate in the case of major projects being placed in service and when the denial of the requested relief would have severe financial ramifications." Cause No. 39150, June 19, 1991. Evidence of these criteria was not produced in this proceeding. While evidence of the value of the security improvements was produced, we do not have evidence to support whether or not these security improvements are "major" in the context of the AFUDC Remedy, or whether our denial of the AFUDC Remedy would have severe financial ramifications on Petitioner. The AFUDC Remedy is a different form of relief from the DSIC remedy sought in this proceeding.

The Parties' joint settlement agreement asserts that Petitioner's recovery under the settlement agreement will be less than what it sought under the DSIC remedy and, therefore, falls within Petitioner's original request as lesser included relief. As stated

above, and regardless of the amount to be recovered by Petitioner under either remedy, we consider the AFUDC Remedy to be distinct from the DSIC remedy, each requiring proof of different elements. Therefore, given our finding that the evidence does not support approval of either a DSIC or AFUDC for security improvements, we conclude that neither remedy is appropriate in this proceeding.

We do not find it in the public interest that an automatic rate increase be imposed on ratepayers for improvements that we do not find, based on the evidence, to be within the utility's distribution system, or that Petitioner be allowed to continue to accrue AFUDC and defer depreciation when eligibility for those remedies has been neither sought nor proven. Accordingly, we reject the *Stipulation and Settlement Agreement.*

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION, that:

1. Indiana-American Water Company, Inc. is approved a Distribution System Improvement Charge that generates $797,291 in additional annual revenue.

2. We find that for purposes of determining the DSIC revenue, a before tax return of 10.81% should be applied to the net investor supplied DSIC eligible assets of $5,859,778. Such a figure includes distribution assets added since Petitioner's last rate case less reimbursements by Indiana Department of Transportation for line relocations, less the distribution assets retired and replaced since the last rate case.

3. Recovery of DSIC revenues through an adjustment of rates shall be in accordance with the DSIC Calculation and Rate Schedule found herein in Finding Paragraph No. 8G. Petitioner shall file with the Gas/Water/Sewer Division of the Commission, prior to placing into effect the DSIC rates herein approved, separate amendments to its rate schedule with reasonable reference therein reflecting that such charges are applicable to the rate schedules reflected on the amendment.

4. In accordance with Indiana Code 8-1-31-15, Petitioner shall file a revised rate schedule resetting the DSIC when the Commission issues an Order authorizing a general increase in rates and charges that includes the eligible distribution system in the utility's rate base.

5. In its next DSIC case, Indiana-American should file a five-year forecast of its distribution system replacement program.

6. This Order shall become effective upon and after the date of its approval.

MCCARTY, LANDIS, RIPLEY AND ZIEGNER CONCUR; HADLEY ABSENT:
APPROVED:

FEB 27 2003

I hereby certify that the above is a true
and correct copy of the Order as approved.

Nancy E. Manley
Secretary to the Commission

- All other revenues and prudently incurred utility expenses considered part of the utility cost of service earnings.

d. The following items are excluded from the earnings sharing calculation:

- All other income (i.e., revenues not generated from utility assets) and deductions and related taxes
- Revenues and/or expenses resulting from any audit addressing the Company's past treatment of pensions and OPEBs with respect to the Commission's Policy Statement[9]
- All changes in accounting not contemplated in setting revenue requirement
- Shareholder portion of property tax refunds

e. Any earnings due customers under this earnings sharing mechanism will be reflected in the revenue requirement in the Company's next general rate case or as directed by the Commission.

f. Within 90 days after the end of Year Three, the Company will provide Staff with its earnings calculation and supporting documentation.

VI. Distribution System Improvement Charge

1. The Parties propose that the Commission authorize implementation of a DSIC, commencing at the beginning of Year Two.

2. No later than 60 days prior to the beginning of Year Two of the Rate Plan, LIWC will develop a five-year plan (the "Plan") that identifies the specific mains (distribution and/or transmission) that should be renewed, replaced or constructed within the five-year period. For each project, the Plan will include an explanation of why such work is recommended and the

[9] Case 91-M-0890, Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other Than Pensions (issued September 7, 1993) ("Policy Statement").

project's current priority in terms of dollar amount and schedule. The Company will attempt to coordinate the Plan with local roadway and rights-of-way plans such that any street rehabilitations or local development plans are reflected, in an effort to minimize street opening and restoration costs. The Company will review and update the Plan annually, or more frequently if required, to address potential changing priorities and changing prioritization drivers, such as additions or revisions to scheduled roadway and rights-of-way improvements. Staff will review the Plan with the Company and use the Plan as a flexible planning tool to monitor LIWC's activities. The Plan will also enable LIWC to react to changing issues that could impact DSIC project needs year to year or within a given budget year.

3. The Company will spend up to $4 million annually of capital expenditures (and the associated incremental rate impacts) on the DSIC program. At a minimum, LIWC must spend $1.3 million in each of Year Two and Year Three, representing the amount attributable to routine replacement of distribution mains, hydrants and services and associated work in Year One (which is prior to the beginning of the DSIC).

4. LIWC will recover the costs of the DSIC program through a DSIC surcharge mechanism as more fully described in this subsection.

a. The DSIC surcharge will apply to costs associated with: distribution and transmission mains installed as replacements or reinforcements; cleaning and lining of mains; and replaced valves, services and hydrants (whether the installations are part of the main replacement program or are located elsewhere in the system and are replaced because of age or condition).

b. When LIWC has incurred actual expenditures for this program and the renewed/replaced system facilities have been placed in service, then the amount of those expenditures (net of the associated (1) retirements, (2) accumulated deferred income taxes ("ADIT"), and (3) accumulated depreciation reserve, i.e., the net rate base ["NRB"]) will constitute the incremental rate base investment subject to the DSIC.

c. LIWC will be entitled to assess a DSIC surcharge on customers' bills based on a pre-tax rate of return of 10.03% applied to the net rate base increase. The cost of

depreciation expense is added to that amount, and the total is divided by annual water revenues as defined below.

d. The DSIC surcharge will be a percentage, carried to two decimal places, and will be applied to the total amount billed to each customer. The formula of the calculation is as follows

$$\text{DSIC surcharge} = \frac{(\text{NRB} \times \text{Pre-tax ROR}) + D}{AR}$$

Where:

NRB	=	the cost of the applicable transmission and distribution facilities, net of associated (1) retirements, (2) ADIT and (3) accumulated depreciation reserve
Pre-tax ROR	=	10.03%
D	=	the annual depreciation expense on the net additions
AR	=	LIWC's projected annual metered and fire protection revenues

e. The DSIC surcharge will be assessed semi-annually for the applicable facilities placed in service during the six-month period ending 60 days prior to the effective date of each DSIC surcharge ("DSIC Period"). The first six months of the DSIC surcharge will be the six-month period ending September 30, 2006. LIWC will provide Staff with detailed project information within 15 calendar days regarding the DSIC (such as dates, actual paid expenditures, main size, length, location, replacements and retirements). During the interval between the end of the DSIC Period and the DSIC surcharge assessment, Staff will have the balance of the 60 days to verify such data.

f. A reconciliation between authorized collections and actual collections related to the DSIC surcharge will be conducted annually and filed with the Commission within 60 days of the end of each rate year. Any undercollections or overcollections will accrue interest at the customer deposit interest rate established by the Commission each year. Adjustments of undercollections and overcollections will be reflected in the next DSIC surcharge filing.

5. The DSIC program will remain in place until the Commission issues a decision in the Company's next general rate case, at which time all costs previously collected through the DSIC will be accounted for and included in base rates. Those new base rates will recover all costs that had been recouped previously through the DSIC surcharge. Future expenditures under the DSIC program will be reflected in a subsequent DSIC.

6. Non-DSIC Capital Expenditures - In addition to the capital expenditures that LIWC will incur in connection with the DSIC program, the Company agrees that it will expend a minimum of $4.5 million in non-DSIC capital expenditures exclusive of AMR and/or iron removal plants and related activities over the three-year period of this Joint Proposal.

VII. Property Tax Reconciliation Mechanism and Property Tax Refunds

1. For the period April 1, 2005 through March 31, 2008, LIWC will defer for recovery through the property tax reconciliation mechanism 85% of any property taxes above the target level specified in Section IV.3 for each respective year, and the remaining 15% will be borne by shareholders.

2. For the same period, LIWC will defer and return to customers through the property tax reconciliation mechanism 100% of any decreases in property taxes below the target level set for Year One, subject to a potentially different percentage agreed to by the Parties based on the Company's efforts in aggressively pursuing tax challenges.

3. LIWC is entitled to recover, through the property tax reconciliation mechanism, 100% of any property tax increases in Years Two and Three (specified in Section IV.3.d) that exceed the Year One target level but fall below the target level for each of the two respective years.

4. The Company will notify the Commission of any property tax refunds in accordance with Public Service Law Section 113 (2) and Part 89 of the Commission's Codes, Rules and Regulations (16 NYCRR Part 89). LIWC will accrue interest, at the other customer capital rate established by the Commission each year, from the date it receives the refund until disposition.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri-American Water Company for Approval to Establish an Infrastructure System Replacement Surcharge (ISRS)	)))	**Case No. WO-2004-0116** **Tariff No. YW-2004-0274**

REPORT AND ORDER

Issue Date: December 16, 2003

Effective Date: December 26, 2003

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri-American Water Company for Approval to Establish an Infrastructure System Replacement Surcharge (ISRS)	)))	**Case No. WO-2004-0116** **Tariff No. YW-2004-0274**

APPEARANCES

W.R. England, III, Attorney at Law, 312 East Capitol Avenue, Jefferson City, Missouri 65102, for Missouri-American Water Company.

Diana M. Vuylsteke, Attorney at Law, 211 North Broadway, Suite 3600, St. Louis, Missouri 63102, for Missouri Industrial Energy Consumers.

Lisa C. Langeneckert, Attorney at Law, 720 Olive Street, Suite 2400, St. Louis, Missouri 63101, for Missouri Energy Group

M. Ruth O'Neill, Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102, for the Office of the Public Counsel and the Public.

Keith R. Krueger and Thomas R. Schwarz, Jr., Deputy General Counsel, P.O. Box 360, Jefferson City, Missouri 65102, for the Staff of the Missouri Public Service Commission.

REGULATORY LAW JUDGE: Morris L. Woodruff

REPORT AND ORDER

SUMMARY

After reviewing Missouri-American Water Company's application for establishment of an Infrastructure System Replacement Surcharge, the Commission concludes that Missouri-American correctly calculated the amount of accumulated depreciation used in the company's calculation of its ISRS revenue requirement. However, the Commission

concludes that Missouri-American should not have included net cost of removal of the non-ISRS property in those calculations. In addition, the Commission concludes that those calculations should not include property taxes for plant placed in service after January 1, 2003. Missouri-American's proposed tariff to institute an ISRS is rejected, but Missouri-American is advised to submit a revised tariff consistent with this report and order.

FINDINGS OF FACT

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact. The Commission in making this decision has considered the positions and arguments of all of the parties. Failure to specifically address a piece of evidence, position or argument of any party does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

Procedural History

On September 2, 2003, Missouri-American Water Company filed an Application and Petition for Establishment of an Infrastructure System Replacement Surcharge. For convenience the surcharge is referred to by the acronym ISRS. A proposed tariff implementing the ISRS – with an effective date of October 2 – accompanied Missouri-American's application.

On September 9, the Commission suspended Missouri-American's tariff until December 31, the maximum amount of time allowed by the controlling statute.[1] Also on September 9, the Commission issued an Order Directing Notice and Setting Date for Submission of Intervention Requests. That order directed that notice of Missouri-

[1] Section 393.1006.1(3), RSMo

American's application be given to the county commission of St. Louis County, to the media serving St. Louis County, and to the members of the general assembly that represent St. Louis County. The Commission's order also established September 29 as the deadline for submission of applications to intervene.

A timely application to intervene was filed by the Missouri Energy Group (MEG),[2] an *ad hoc* group of not-for-profit hospital systems and a large industrial company that purchase substantial amounts of water from Missouri-American in St. Louis County. MEG's application to intervene was granted on September 30. On October 31, the Missouri Industrial Energy Consumers (MIEC),[3] another *ad hoc* group of large customers in St. Louis County, filed an application to intervene out of time. MIEC's application was granted on November 3.

On September 29, the Office of the Public Counsel filed a motion asking the Commission to set a procedural schedule and to hold an evidentiary hearing regarding Missouri-American's application. To that end, a prehearing conference was held on October 8. Following that conference, on October 14, the parties submitted a proposed procedural schedule that was adopted by the Commission on October 16. The procedural schedule did not call for the pre-filing of testimony but instead required the parties to file reports and responses to those reports. It also called for an on-the-record presentation to be held on November 21, at which the Commission could question the parties about their reports. The parties indicated that this schedule would be appropriate because the issues

[2] The members of MEG are: Barnes-Jewish Hospital; Emerson Electric Company; SSM HealthCare; and St. John's Mercy Health Care.

[3] The members of MIEC are: The Boeing Company; DaimlerChrysler; Ford Motor Company; Hussman Refrigeration; Monsanto Company; and Pfizer.

before the Commission were likely to be legal rather than factual and because of the tight time constraints imposed by statute.

Staff filed its report on October 31. Staff agreed that Missouri-American should be allowed to establish an ISRS but argued that the annual revenue requirement for calculation of the ISRS should be set at $1,887,301. Staff's calculation of the appropriate annual revenue requirement was substantially smaller than the $4,038,923 calculated by Missouri-American. Missouri-American filed a response to Staff's report on November 10, agreeing with some of Staff's modifications, but disagreeing with many of Staff's assumptions. Missouri-American now contends that the appropriate annual revenue requirement is $3,813,222. Staff, MEG, and MIEC filed replies to Missouri-American's report on November 14. Public Counsel filed its reply on November 17. Public Counsel's reply was filed late and was accompanied by a motion asking the Commission to accept its late filing. That motion was not opposed by any party and will be granted.

At the direction of the Commission, Staff filed a list of issues on November 13. A prehearing conference was held on November 19. As a result of discussions among the parties at that conference, an amended list of issues was filed on November 20.

A hearing was held on November 21, at which time the parties presented evidence and testimony. Missouri-American, Staff, Public Counsel, and MEG submitted post-hearing briefs on December 4. In addition, the Missouri Energy Development Association[4] filed an amicus brief, accompanied by a Petition for Leave to File Amicus Brief. That petition was not opposed by any party and will be granted. MIEC did not submit a brief.

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[4] The members of the association include: Aquila, Inc.; Atmos Energy Corporation; Empire District Electric Company; Kansas City Power & Light Company; Laclede Gas Company; Missouri-American Water Company; Missouri Gas Energy, a division of Southern Union Company; and Union Electric Company d/b/a AmerenUE.

What is an ISRS?

Missouri-American's ability to establish an ISRS was created by the Missouri legislature during its 2003 session. In House Bill 208, the applicable portions of which were codified at Sections 393.1000 through 393.1006, RSMo, the legislature permitted Missouri-American to petition the Commission to allow it to establish a special surcharge, the ISRS, to recover the cost of replacing eligible infrastructure system equipment and plant, which is defined as: replacement mains, and associated valves and hydrants; main cleaning and relining projects; and un-reimbursed facilities relocations mandated by governmental entities. Missouri-American would then recover the special surcharge from its customers for a limited time until the Commission establishes its new rates in a general rate case. In effect, the ISRS would allow Missouri-American to begin recovering the cost of infrastructure replacement without having to wait for the Commission to review and approve a general rate case.

Missouri-American currently has a general rate case pending before the Commission in Case Number WR-2003-0500. Missouri-American's tariff that would implement its revised rates is suspended until April 16, 2004. Because the ISRS would only remain in effect until it is replaced by the rates established in a general rate case, Missouri-American's proposed ISRS would be in effect from the effective date of this order until the effective date of the Commission's order establishing new general rates, approximately April 16, 2004.

What is the appropriate amount of the ISRS?

In appendix A to its verified application,[5] Missouri-American provides a detailed list of the facility relocations, and mains, hydrants and valve replacements made after its last rate case, for which it is seeking ISRS eligibility. Missouri-American indicated that it did not undertake any eligible main cleaning or relining projects during the applicable period. For each individual item of plant, Missouri-American lists the investment value, depreciation rate, date that the item was placed in service, accumulated depreciation and depreciation expense. Beginning with the actual investment it made in this eligible plant, Missouri-American identified the actual accumulated depreciation on those investments since they were placed into service, as well as the actual deferred taxes on those investments, and deducted those amounts – along with any contribution in aid of construction and reimbursement received for facility relocations – to arrive at a net original cost, or ISRS Rate Base. Missouri-American then applied the rate of return authorized in its last rate case to this ISRS Rate Base, and identified the annual expenses attributable to depreciation, property tax and state and federal income tax to arrive at a total annual ISRS revenue requirement of $3,813,222.[6] Missouri-American would recover that amount, on an annual basis, from ratepayers through the proposed ISRS.

No party challenged Missouri-American's identification of the plant that is eligible for consideration under the ISRS statute and the Commission will accept those amounts as correct. Staff does, however, challenge three elements of Missouri-American's calculation of the ISRS revenue requirement: First, Staff argues that accumulated depreciation applied to facilities relocations and replacement mains and associated valves and hydrants should

[5] The application was admitted into evidence as Exhibit 5.

total $15,550,171 instead of $792,177 as determined by Missouri-American; second, Staff excluded accumulated depreciation – net cost of removal of the retired plant being replaced from its calculations; and third, Staff excluded property taxes on ISRS plant placed in service in calendar year 2003. After making these modifications, Staff determined that the Missouri-American's ISRS revenue requirement is $1,887,301.[7]

MEG's expert witness, Billie LaConte, testified that MEG agreed with Missouri-American on the question of accumulated depreciation. However, she testified that accumulated depreciation – net cost of removal of the non-ISRS plant, as well as property taxes for ISRS plant added after January 1, 2003, should not be included in the ISRS revenue requirement.[8] Using those assumptions MEG calculated that Missouri-American was entitled to an ISRS revenue requirement of $3,628,576.[9]

CONCLUSIONS OF LAW

The Missouri Public Service Commission has reached the following conclusions of law.

Missouri-American is a public utility, and a water corporation, as those terms are defined in Section 386.020(42) and (58), RSMo 2000. As such, Missouri-American is subject to the Commission's jurisdiction pursuant to Chapters 386 and 393, RSMo.

Section 393.1003.1, RSMo provides as follows:

> Notwithstanding any provisions of chapter 386, RSMo, and this chapter to the contrary, as of August 28, 2003, a water corporation providing

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[6] Missouri-American's calculations are shown on Exhibit 6.

[7] Staff's calculations are shown as attachment B to its October 31, 2003 Memorandum, which was admitted into evidence as Exhibit 1.

[8] Transcript, Pages 223-224, Lines 21-25, 1-2.

[9] MEG's calculations may be found as a schedule to its Reply to Missouri-American Water Company's Response to Staff Report and Recommendations. That reply was filed on November 14, 2003.

> water service in a county with a charter form of government and with more than one million inhabitants may file a petition and proposed rate schedules with the commission to establish or change ISRS rate schedules that will allow for the adjustment of the water corporation's rates and charges to provide for the recovery of costs for eligible infrastructure system replacements made in such county with a charter form of government and with more than one million inhabitants; provided that an ISRS, on an annualized basis, must produce ISRS revenues of at least one million dollars but not in excess of ten percent of the water corporation's base revenue level approved by the commission in the water corporation's most recent general rate proceeding. An ISRS and any future changes thereto shall be calculated and implemented in accordance with the provisions of sections 393.1000 to 393.1006. ISRS revenues shall be subject to refund upon a finding and order of the commission, to the extent provided in subsection 5 and 8 of 393.1006.

Missouri-American provides water service in St. Louis County, which has a charter form of government and more than one million inhabitants. Therefore, Missouri-American is eligible for an ISRS under this statute. Missouri-American's proposed ISRS would produce revenues of at least one million dollars but not in excess of ten percent of its base revenue level and that requirement of the statute is met.

Section 393.1003.3, RSMo, provides as follows:

> In no event shall a water corporation collect an ISRS for a period exceeding three years unless the water corporation has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established.

Missouri-American currently has a general rate case pending before the Commission. Therefore, the ISRS Missouri-American seeks in this case will remain in effect only until new rates are established, which will occur approximately April 16, 2004.

Section 393.1006.2, RSMo, provides as follows:

> (1) When a petition, along with any associated proposed rate schedules, is filed pursuant to the provisions of sections 393.1000 to

393.1006, the commission shall conduct an examination of the proposed ISRS.

(2) The staff of the commission may examine information of the water corporation to confirm that the underlying costs are in accordance with the provisions of sections 393.1000 to 393.1006, and to confirm proper calculation of the proposed charge, and may submit a report regarding its examination to the commission not later than sixty days after the petition is filed. No other revenue requirements or ratemaking issues shall be examined in consideration of the petition or associated rate schedules filed pursuant to the provisions of sections 393.1000 to 393.1006.

(3) The commission may hold a hearing on the petition and any associated rate schedules and shall issue an order to become effective not later than one hundred twenty days after the petition is filed.

(4) If the commission finds that a petition complies with the requirements of sections 393.1000 to 393.1006, the commission shall enter an order authorizing the water corporation to impose an ISRS that is sufficient to recover appropriate pretax revenues, as determined by the commission pursuant to the provisions of sections 393.1000 to 39.31006.

Section 393.1006.4 establishes the factors that the Commission may consider when establishing the appropriate pretax revenues that Missouri-American can recover through its ISRS. That section provides as follows:

In determining the appropriate pretax revenues, the commission shall consider only the following factors:

(1) The current state, federal, and local income or excise tax rates;

(2) The water corporation's actual regulatory capital structure as determined during the most recent general rate proceeding of the water corporation;

(3) The actual cost rates for the water corporation's debt and preferred stock as determined during the most recent general rate proceeding of the water corporation;

(4) The water corporation's cost of common equity as determined during the most recent general rate proceeding of the water corporation;

(5) The current property tax rate or rates applicable to the eligible infrastructure system replacements;

(6) The current depreciation rates applicable to the eligible infrastructure system replacements;

(7) In the event information called for in subdivision (2), (3), and (4) is unavailable and the commission is not provided with such information on an agreed-upon basis, the commission shall refer to the testimony submitted during the most recent general rate proceeding of the water corporation and use, in lieu of any such unavailable information, the recommended capital structure, recommended cost rates for debt and preferred stock, and

recommended cost of common equity that would produce the average weighted cost of capital based upon the various recommendations contained in such testimony.

The Commission's determination of Missouri-American's appropriate pretax revenues is also restricted by Section 393.1000(1), which defines "appropriate pretax revenues" as:

> The revenues necessary to produce net operating income equal to:
> (a) The water corporation's weighted cost of capital multiplied by the net original cost of eligible infrastructure system replacements, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements which are included in a currently effective ISRS; and
> (b) Recover state, federal, and local income or excise taxes applicable to such income; and
> (c) Recover all other ISRS costs;

ISRS costs, referred to in (c), are further defined by Section 393.1000(5) as "depreciation expenses, and property taxes that will be due within twelve months of the ISRS filing."

Not all infrastructure systems replacements are eligible for inclusion in the ISRS. Section 393.1000(3) defines "Eligible infrastructure system replacements" as:

> Water utility plant projects that:
> (a) Replace or extend the useful life of existing infrastructure;
> (b) Are in service and used and useful;
> (c) Do not increase revenues by directly connecting the infrastructure replacement to new customers; and
> (d) Were not included in the water corporation's rate base in its most recent general rate case;

"Water utility plant projects," as used in the previous definition, is further defined by Section 393.1000(8) as consisting only of the following:

> (a) Mains, and associated valves and hydrants, installed as replacements for existing facilities that have worn out or are in deteriorating condition;
> (b) Main cleaning and relining projects; and
> (c) Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of

> the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain provided that the costs related to such projects have not been reimbursed to the water corporation.

Section 137.075, RSMo 2000, provides that property taxes for a given year are assessed based on the property owned on January 1 of that year. Property taxes on property placed in service after January 1, 2003, will not be assessed until January 1, 2004. Such taxes need not be paid until December 31, 2004.

DECISION

After applying the facts as it has found them to its conclusions of law, the Commission has reached the following decisions regarding the issues identified by the parties.

Accumulated Depreciation

Missouri-American contends that the proper measure of accumulated depreciation is the actual accumulated depreciation recorded on the books of the company for each item of ISRS plant. In arriving at the measure of accumulated depreciation that it used in its calculations, Missouri-American simply totaled the accumulated depreciation on each item of ISRS plant.

No party disagrees with Missouri-American's calculation of the total accumulated depreciation on the ISRS plant. Staff's witness, in fact, agreed that Missouri-American had correctly calculated total accumulated depreciation on the ~~replaced~~ plant.[10] Staff, however, contends that the amount calculated by Missouri-American should not be used in calculating the appropriate pretax revenue requirement for the ISRS. Instead, Staff compared the total amount of ISRS investment to the total change in invested plant since

the last rate case.[11] Staff calculated that Missouri-American's total invested plant increased by $93,315,958 between its last rate case and July 2003.[12] Missouri-American's infrastructure replacement investment since its last rate case is $20,723,376.[13] Staff then determined the ratio of total invested plant to infrastructure replacement investment, approximately 22%, and applied that ratio to the increase in the company's depreciation reserve since its last rate case, $53,573,609. $53,573,609 multiplied by Staff's ratio equals $11,897,494. It is this amount that Staff contends should be used as accumulated depreciation for mains, and associated valves and hydrants, in the calculation of Missouri-American's appropriate pretax revenues for purposes of its ISRS application. Staff performed the same calculations to arrive at $3,652,677 as the amount of accumulated depreciation for facilities relocations for purposes of Missouri-American's ISRS application.[14]

Staff explains that it used this ratio approach rather than simply using the actual total depreciation because Missouri-American has accumulated $53 million in depreciation since its last rate case and Staff argues that the company should be required to use a portion of that depreciation to offset the cost of constructing the ISRS plant.[15]

Staff also contends that its ratio approach should be used to offset what it claims to be the effect of regulatory lag that favors the company. Staff explains that the total value

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[10] Transcript, Pages 125, Lines 7-16 and 144-145, Lines 18-25, 1-5.

[11] Transcript, Page 112, Lines 21-24.

[12] These figures are taken from Exhibit 1, Appendix B, Attachment B, Page 2 of 4.

[13] This is the amount of eligible investment in replacement mains, and associated valves and hydrants reported by Missouri-American in Exhibit 6, Line 3.

[14] Transcript, Page 117, Lines 1-17.

[15] Transcript, Page 116, Lines 16-25.

of a company's plant investment is used to establish a company's rates in a rate case. Those rates then remain unchanged until the company's next rate case when depreciation and new investment in plant are included in the company's rate base for consideration in rates. Staff points out that if all other factors remain equal – in other words, there were no new plant investment, no retirements, no change in revenue and expenses, etc. – then, because of depreciation, the company's rate base would decline and its revenue requirements would decrease. However, because rates do not change between rate cases, the company would be in a position to be earning more than its authorized return because of regulatory lag. Staff is concerned that unless its ratio approach to depreciation is adopted, Missouri- American could be imposing a surcharge on its customers while it is already over-earning.

Staff's argument must fail because it is contrary to the clear language of the statute. Section 393.1000(1)(a) requires that the company's ISRS revenue requirement is to be calculated by multiplying the company's weighted cost of capital by the "net original cost of eligible infrastructure system replacement, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements which are included in a currently effective ISRS." That definition clearly directs the Commission to consider "accumulated depreciation associated with eligible infrastructure system replacements." That is exactly what Missouri-American does in its calculation of its revenue requirement when it simply totals the depreciation that accumulated on the eligible infrastructure system replacements.

Staff, however, points to the last clause of the definition – "which are included in a currently effective ISRS" – to argue that since Missouri-American's initial ISRS application

has not yet been approved, there is no currently effective ISRS. Therefore, Staff would ignore the definition's admonition to consider "accumulated depreciation associated with eligible infrastructure system replacements." Instead, Staff would consider only the first part of the definition, "the weighted cost of capital multiplied by the net original cost of eligible infrastructure system replacement."[16] According to Staff, this truncated definition is telling the Commission to net the original cost of eligible infrastructure system replacement against something. Staff chooses to net it against the total change in the amount of the company's investment in plant-in-service since its last rate case, thus arriving at its ratio approach. Staff's interpretation of the statute's definition of appropriate pretax revenues is incorrect.

Staff's proposed method of determining the ISRS revenue requirement clearly and explicitly considers depreciation that is in no way associated with ISRS plant. In fact, Staff's witness explained that under Staff's method of calculation, the ISRS revenue requirement would go up or down depending upon the amount of non-ISRS investment made by the company, independent of the company's ISRS investments.[17] That same witness conceded that there is nothing in the statute that authorizes the consideration of non-ISRS investments when calculating the appropriate ISRS revenue requirement.[18]

Furthermore, a reading of the entire ISRS statute makes it clear that the legislature was directing the Commission to conduct a narrow review of an application for an ISRS. Section 393.1006.2(2) specifically states that the Staff of the Commission may examine information of the water corporation to confirm that underlying costs are in accordance with

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[16] *See.* Staff's Brief at Page 8-9.

[17] Transcript, Pages 183-185.

the provisions of the law and to confirm proper calculation of the proposed charge. The section then states, "no other revenue requirement or ratemaking issues shall be examined." The approach advocated by Staff violates this provision by seeking to examine underlying rate case issues as part of the ISRS.

Staff states that it is very concerned that Missouri-American may be over-earning and argues that it would not be appropriate to allow the company to impose an ISRS under those circumstances. But the controlling statute does not allow the Commission to consider other ratemaking issues in this proceeding. The legislature, by enacting a statute, has determined that Missouri-American is entitled to impose an ISRS on its customers to encourage the company to make needed infrastructure improvements. Missouri-American's method of calculating accumulated depreciation complies with that statute. Staff's method of calculating accumulated depreciation does not comply with that statute. The Commission concludes that Missouri-American's ISRS revenue requirement must be calculated using the accumulated depreciation calculated by Missouri-American for the ISRS plant.

Accumulated Depreciation – Net Cost of Removal

Missouri-American's calculation of accumulated depreciation to be offset against the original cost of the ISRS plant included a further adjustment to its total accumulated depreciation to recognize the cost of removing the old plant that was replaced with ISRS plant. If the replaced plant has any salvage value, the salvage value is deducted from the cost of removal. However, in most cases, the salvage value is less than the cost to remove

[18] Transcript, Page 185, Lines 20-22.

the old plant, leaving a "net cost of removal." Missouri-American calculated its net cost of removal associated with ISRS plant as $1,036,533.75.

MEG's expert witness stated that the net cost of removal of non-ISRS property should not be included in the ISRS calculations. Because the adjustment that Missouri-American would make to the accumulated depreciation account for net salvage is due to the removal of non-ISRS infrastructure, it should not be part of the calculation of an ISRS.[19]

The Commission agrees that net cost of removal of the non-ISRS plant should not be included in the ISRS calculations. The statute narrowly prescribes the factors that the Commission may consider when calculating the ISRS. The Commission is persuaded by the argument of MEG's expert witness. The net cost of removal that Missouri-American seeks to include in the ISRS calculations is associated with the depreciation accumulated on the old non-ISRS plant. Missouri-American should not be allowed to adjust the accumulated depreciation account for ISRS property due to the removal of non-ISRS infrastructure.

Property Taxes

Section 393.1000(5) defines "ISRS costs" as "depreciation expenses, and property taxes that will be due within twelve months of the ISRS filing" (emphasis added). In its calculation of its ISRS revenue requirement, Missouri-American included the cost of property taxes for all ISRS plant. In its calculations, Staff excluded property taxes on ISRS plant placed in service after January 1, 2003.

Staff reasoned that plant placed in service after January 1, 2003, will not be assessed until January 1, 2004. That means that property taxes on that plant will not be

[19] Transcript, Page 225-226, Lines 2-25,1-6. *See also* Brief of Missouri Energy Group at page 3-4.

"due" until December 31, 2004. That is more than twelve months after Missouri-American filed its ISRS petition. Under the plain language of the statute, those property taxes are not due within twelve months of the ISRS filing and are, therefore, not ISRS costs.

Missouri-American countered that it accounted for taxes on plant added in 2003 on its books within twelve months of the filing of the ISRS petition. It contended that the statute should be read broadly to permit recovery of costs that the legislature intended to be recovered.

The Commission agrees with Staff's calculation of property taxes. A plain reading of the statute indicates that ISRS costs include property taxes that will be due within twelve months of the ISRS filing. Property taxes on plant added after January 1, 2003, are not due until more than twelve months after the ISRS filing. Therefore, they are not an ISRS expense and may not be included in the calculations of Missouri-American's ISRS revenue requirements.

Other Issues

In the course of their negotiations, the parties have reached agreement on several other adjustments to Missouri-American's original ISRS application. The Commission need not address those adjustments in this report and order. However, Missouri-American must adjust its ISRS calculations based on this report and order and those agreements. As a result, Missouri-American's tariff that implemented its ISRS, as originally calculated, is incorrect. That tariff will be rejected and Missouri-American will be allowed an opportunity to submit a revised tariff that conforms to the decisions made in this report and order and to the adjustments agreed to among the parties.

IT IS THEREFORE ORDERED:

1. That the tariff sheet filed by Missouri-American Water Company on September 2, 2003, and assigned tariff number YW-2004-0274, is rejected. The tariff sheet rejected is:

P.S.C. Mo. No. 6
Original Sheet No. RT 18.0

2. That Missouri-American Water Company is authorized to file a tariff to impose an Infrastructure System Replacement Surcharge that is sufficient to recover appropriate pre-tax revenues as determined by the Commission in this order.

3. That Public Counsel's Request to Accept Reply Filed One Business Day Late is granted.

4. That the Missouri Energy Development Association's Petition for Leave to File Amicus Brief is granted.

5. That any pending motions that the Commission has not specifically ruled upon are denied.

6. That this Report and Order shall become effective on December 26, 2003.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Murray and Forbis, CC., concur;
Gaw, Ch., and Clayton, C., concur, with
separate concurring opinion to follow;
and certify compliance with the provisions
of Section 536.080, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 16th day of December, 2003.

5% original order

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
HARRISBURG, PA 17105-3265

Public Meeting held December 19, 1996

Commissioners Present:

John M. Quain, Chairman
Lisa Crutchfield, Vice Chairman
John Hanger
David W. Rolka
Robert K. Bloom

Pennsylvania American Water Company
Distribution System Improvement Charge
Tariff Supplements To Become Effective
January 1, 1997.

Docket No. R-00963792

ORDER

BY THE COMMISSION:

On March 15, 1996, Pennsylvania-American Water Company (PAWC) at P-00961031, submitted a petition for approval to file and implement an automatic adjustment clause tariff that would establish a Distribution System Improvement Charge (DSIC) pursuant to Section 1307(a) of the Public Utility Code. Section 1307(a) provides statutory authority for a utility to establish, subject to Commission review and approval, an automatic adjustment clause mechanism designed to provide "a just and reasonable return on rate base" of the public utility.

The purpose of the DSIC is to provide the Company with the resources it needs to accelerate its investments in new utility plant to replace water distribution infrastructure, which will facilitate compliance with evolving regulatory requirements imposed by the Safe Drinking Water Act (SDWA). Additionally, the implementation of the DSIC will facilitate solutions to regional water supply problems. The DSIC may also enable the Company to reduce the frequency

of its base rate cases and place them in a better position to absorb increases in other categories of costs for a longer period of time.

On August 26, 1996, the Commission entered an order at P-00961031, approving in part and denying in part, the petition submitted by the Company. In order to provide guidance to PAWC and any other water utility that may desire to implement a DSIC, the Commission developed and issued sample tariff language as Attachment A to the order for the utilities to use in any proposed Section 1307 tariff supplement. In general, as approved, the DSIC tariff would permit a water utility to recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing infrastructure rehabilitation projects completed and placed in service between Section 1308 base rate cases. The DSIC is to be applied as a percentage to the total amount billed to each customer under applicable rates and charges, excluding amounts billed for public fire protection and the State Tax Adjustment Surcharge.

The August order provides for a proposed tariff and initial DSIC, to become effective January 1, 1997. The tariffs are to be filed November 1, 1996, or at least 60 days prior to the effective date. Thereafter, the DSIC is to be updated quarterly with the filing to be made at least ten days prior to the effective date of the quarterly revision. The order provides for the DSIC to be reset to zero as of the effective date of new base rates as well as when, in any quarter, the company's most recent annual or Quarterly Earnings report shows that an excessive rate of return is being earned.

As a safeguard, the order provides that the DSIC will be capped at 5% of the amount billed to customers under otherwise applicable rates and charges. Additional safeguards include a provision for audit and an annual reconciliation between DSIC revenues and DSIC eligible costs. The difference between revenue and costs will be recouped or refunded, in accordance with Section 1307(e) of the Public Utility Code, over a one year period commencing on April 1 of each year.

The order at P-00961031 also granted in part and denied in part the protests, answers and other objections filed with respect to the PAWC petition. The order provides that to the extent that parties have objections and/or complaints to the rates to be charged by means of an automatic adjustment clause that provides for the recovery of a water company's infrastructure improvement costs, those objections and/or complaints would be appropriately addressed to an actual PAWC tariff filing that contains specific rates to be charged to consumers based on specific distribution system improvement expenditures. A Section 701 complaint would be the appropriate procedural vehicle to challenge such a tariff filing and, provided that factual issues are raised, the filing of such a complaint will entitle the complainant to a hearing before an administrative law judge and an adjudication of the complaint.

Discussion

On October 24, 1996, PAWC submitted Supplement No. 22 to Tariff Water PA PUC No. 4 to initiate a DSIC to become effective January 1, 1997. With the exception that the Company used estimated capital expenditures for October and November 1996 and an account classification error in the September data, staff has found the proposed DSIC tariff and surcharge to be consistent with the parameters set forth in the order at P-00961031. The Company intends to submit a revised DSIC calculation on December 20, 1996, ten days prior to the January 1, 1997, effective date to reflect the actual capital investments, completed in October and November, as well as to correct the account classification error.

On November 7, 1996, the Office of Consumer Advocate (OCA) filed a complaint at R-00963792C001 against PAWC's proposed DSIC tariff and surcharge. In its complaint, the OCA alleges that the Company's rate increase request is unjust, unreasonable, and in violation of law; may allow the Company an opportunity to recover an excessive rate of return on its utility property investment, in violation of the Public Utility Code; may discriminate against certain customers; and otherwise is contrary to sound ratemaking principles and public policy. The OCA has requested, inter alia, that we suspend the effective date of the Company's proposed tariff and

surcharge pending the outcome of its Petition For Review in the Commonwealth Court of our order at P-00961031 and the adjudication of the instant complaint.

In our order at P-00961031, we went into great detail as to the reasons for our belief that the recovery of these costs is permitted under Section 1307(a) and Pennsylvania case law; and, in the Commission's judgement, the DSIC proposal is in no way a mechanism to "disassemble" the traditional ratemaking process. In addition, we note here that the General Assembly has recently passed Senate Bill 537, PN 2457, which provides explicit statutory authority for the recovery of distribution system improvement costs via Section 1307. Upon signing by the Governor, the new legislation will become effective in 60 days and, thereafter, remove any remaining doubt regarding the legality of the DSIC tariff and surcharge rate mechanism. Under these circumstances, there is no reason why PAWC's proposed tariff should not be permitted to become effective January 1, 1997, subject to the adjudicated outcome of any timely filed complaints. With respect to such complaints, we note here that although the General Assembly has decided, with finality, the fundamental legal issue of whether a distribution system improvement charge tariff is lawful under Section 1307 of the Public Utility Code, a complainant may nevertheless raise factual issues regarding the utility's tariff filing and supporting data, as well as factual issues regarding the reasonableness of the tariff's use, structure and operation for a given utility. **Therefore,**

IT IS ORDERED:

1. That Supplement No. 22 to Tariff Water - PA PUC No. 4 for Pennsylvania American Water Company (PAWC) to implement a 1307(a) automatic adjustment clause tariff that would establish a Distribution System Improvement Charge (DSIC) is hereby approved to become effective January 1, 1997, subject to the outcome of any timely filed complaints.

2. That PAWC is to submit a revised DSIC surcharge and supporting data to update its proposed DSIC of 0.37% to reflect actual capital improvements for October and November,

1996, and to correct September 1996's data by December 20, 1996, to become effective January 1, 1997.

3. That the normal auditing, reconciliation, reporting and public hearing procedures applicable to all 1307(e) filings will likewise apply to PAWC's DSIC tariff supplements.

4. That this order be served upon PAWC, the Office of Consumer Advocate, the Office of Small Business Advocate, the Office of Trial Staff, the Pennsylvania American Water Large Users Group, and the National Association of Water Companies.

5. That all timely filed complaints regarding this matter be referred to the Office of Administrative Law Judge for hearing and decision.

BY THE COMMISSION,

John G. Alford
Secretary

(SEAL)

Order Adopted: December 19, 1996

Order Entered: DEC 19 1996

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held August 22, 1996

Commissioners Present:

John M. Quain, Chairman
Lisa Crutchfield, Vice Chairman
John Hanger
Robert K. Bloom

Petition of Pennsylvania-American Water Company for Approval to Implement a Tariff Supplement Establishing a Distribution System Improvement Charge

Docket No. P-00961031

OPINION AND ORDER

BY THE COMMISSION:

I. Background

On March 15, 1996, the Pennsylvania-American Water Company (PAWC or company) filed the above-referenced petition with this Commission requesting regulatory approval to file and implement an automatic adjustment clause tariff that would establish a Distribution System Improvement Charge (DSIC or surcharge) pursuant to Section 1307(a) of the Public Utility Code. 66 Pa.C.S. §1307(a). Section 1307(a) provides statutory authority for a utility to establish, subject to Commission review and approval, a tariffed automatic adjustment clause mechanism designed to provide "a just and reasonable return on the rate base" of the public utility.

As proposed by PAWC, the DSIC would operate to recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing infrastructure rehabilitation projects completed and placed in service between Section 1308 base rate cases. The company maintains that the property additions eligible for the DSIC will be limited to revenue neutral infrastructure projects, consisting principally of replacement investments in so-called "mass property" accounts. The DSIC is designed to provide the company with the resources it needs to accelerate its investment in new utility plant to replace aging water distribution infrastructure, facilitating compliance with evolving regulatory requirements imposed by the Safe Drinking Water Act (SDWA) and the implementation of solutions to regional water supply problems.

To illustrate its point, the company states that it has 5,600 miles of mains, that it is currently rehabilitating between 25 and 30 miles of main each year, and that, at that pace, it would require between 185 and 225 years to make all of the needed improvements to existing facilities. The company also states that water service, more than any other utility service, is critical to maintaining public health as water is "a necessity of life and vital for public fire protection services." Petition at 3.

The company alleges that the DSIC may enable it to reduce the frequency of its base rate cases and place the company in a better position to absorb increases in other categories of costs for a longer period, particularly during times of relatively low interest rates. Any reduction in rate case filing frequency would generate costs savings which would inure to the benefit of customers and the Commission. In its petition, the company proposes certain

accounts for recovery, time-frames and other procedures to be followed in implementing the DSIC. The details of those procedures will be discussed below.

To begin with, the company proposes that the DSIC become effective for service rendered on and after July 1, 1996. The company also proposes that the initial charge to be calculated would recover the fixed costs of eligible plant additions that have not previously been reflected in the company's rate base and will have been placed in service between January 1, 1996 and May 31, 1996. Thereafter, the company proposes to update the DSIC on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Petition at 3-4.

As to its geographic applicability, the company states that the DSIC will not apply initially to customers located within the authorized service territory formerly served by the Pennsylvania Gas and Water Company (PG&W) that was acquired as of February 16, 1996. Likewise, the company's investment in infrastructure improvements made within the service territory acquired from PG&W are not included in the initial calculation of the surcharge under the DSIC. Petition at 1-2.

The company also proposes that the DSIC be capped at 5% of the amount billed to customers under otherwise applicable rates and charges, exclusive of amounts recovered under the State Tax Adjustment Surcharge (STAS). If the cap is reached, the company would not seek any additional increases. Petition at 4.

As with any Section 1307 automatic adjustment clause, the DSIC will be subject to an annual reconciliation, whereby the revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between such revenues and costs will be recouped or refunded to customers, as appropriate, in accordance with Section 1307(e). Petition at 5.

Lastly, in terms of procedures, the company proposes that the DSIC will be reset to zero as of the effective date of new Section 1308 base rates that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Petition at 5. And to avoid over recovery of costs in the absence of a base rate case, the company also proposed that the DSIC will be reset to zero if, in any quarter, data filed with the Commission in the company's then most recent Annual or Quarterly Earnings Report shows that the company will earn a rate of return that would exceed the rate of return used to calculate its fixed costs under the DSIC. Petition at 5.

In terms of the legal issues raised by its petition, the company also states that its proposed automatic adjustment clause and procedures are lawful for a number of reasons found in statutory and case law. With regard to statutory law, PAWC states that Section 1307(a) of the Public Utility Code, 66 Pa. C.S. §1307(a), provides that a company may establish a sliding scale of rates or such other method for the automatic adjustment of the rates to recover a variety of costs. Petition at 19. Moreover, the company has cited circumstances in which the Commission has authorized the use of Section 1307 (a) automatic adjustment clauses to recover a wide array of expenses, depreciation and capital costs. See

Pennsylvania Industrial Energy Coalition v. Pa. P.U.C., 653 A.2d 1336 (Pa. Cmwlth. 1995) (PIEC) (recovery of electric utilities' demand-side management costs); 52 Pa. Code §69.181 (recovery of gas utilities' take or pay liabilities to pipeline suppliers); 52 Pa. Code §69.341(b) (recovery of gas utilities' gas supply realignment costs and stranded costs resulting from Federal Energy Regulatory Commission Order 636); and 52 Pa. Code §69.353 (recovery of water utilities' principal and interest due on PennVEST obligations). Petition at 20-21.

Answers were filed by the Office of Trial Staff (OTS) (Answer filed April 4, 1996), the Office of Small Business Advocate (OSBA) (Answer filed May 3, 1996), the Pennsylvania-American Water Large Users Group (PAWLUG) (Answer filed May 6, 1996), and the Office of Consumer Advocate (OCA) (Comments and testimony filed May 6, 1996). Protests to the petition were also filed by individual customers.

In its answer, the OTS requests that the Commission deny the company's petition based on legal and technical grounds. With regard to the legal objections, the OTS argues that, since the facilities are "new" facilities, the company is attempting to circumvent a base rate review through the use of a surcharge, in violation of the Court's decision in PIEC.

The OSBA's answer did not submit legal arguments opposing the implementation of the DSIC. Rather, the OSBA has requested that the Commission conduct a thorough investigation regarding the reasonableness and lawfulness of the proposed tariff supplement as they affect the company's various customer classes.

In its comments, the OCA argues against the implementation of the DSIC alleging that the company does not need the DSIC mechanism and that implementation of a DSIC mechanism would provide in excess of a fair return to the company. With regard to legal arguments, OCA challenges the legality of the surcharge based upon the same arguments outlined in OTS' answer based on its interpretation of Section 1307(a) and the PIEC decision.

On April 16 and May 30, 1996, the company filed replies with the Commission addressing the comments raised in the answers filed by OTS, OSBA, PAWLUG and OCA. In PAWC's reply to the various parties concerning the legality of the DSIC, the company continued to support the legality of a surcharge under Section 1307(a) of the Public Utility Code and the Commonwealth Court decision in PIEC, and supplied rebuttal arguments in support of its need for the DSIC and the legality of its proposal.

II. Discussion

At the outset of this discussion regarding the PAWC petition, we believe it necessary to clarify the Commission's view of the scope of this proceeding and the nature of the PAWC proposal. Because the PAWC petition requests regulatory approval to file and implement a certain type of automatic adjustment clause, we will not address, in this order, the specific factual issues that may be raised by the proposed tariff supplement and sample DSIC rate calculations submitted as Exhibits A and B to the petition. The Commission views these exhibits as no more than an illustration of how the company's proposal would operate. Indeed, as explained below, the specific tariff supplement proposed by PAWC will not be approved by this order.

Therefore, to the extent that parties have objections and/or complaints to the rates to be charged by means of an automatic adjustment clause that provides for the recovery of a water company's infrastructure improvement costs, those objections and/or complaints would be appropriately addressed to an actual PAWC tariff filing that contains specific rates to be charged to consumers based on specific distribution system improvement expenditures. A Section 701 complaint would be the appropriate procedural vehicle to challenge such a tariff filing and, provided that factual issues are raised, the filing of such a complaint will entitle the complainant to a hearing before an administrative law judge and an adjudication of the complaint.

Thus, the key issues raised by the PAWC petition, and to be resolved in this order, are generic threshold issues regarding (1) the legality of the type of automatic adjustment clause proposed by the company and (2) the appropriate general structure of such an automatic adjustment clause that conforms to the requirement of the statute and Pennsylvania case law. In other words, this proceeding will address the legal issue concerning the adoption of the surcharge pursuant to Section 1307(a) of the Code. In addition, the Commission will outline the general parameters of a surcharge mechanism that meets the requirement of the statute, that is consistent with the case law, that has adequate safeguards to protect consumers' interests and, therefore, constitutes a surcharge that is likely to receive regulatory approval when filed.

To begin with, we applaud companies who present this Commission with innovative ideas to address recurring problems for their respective industries. In the water industry,

companies are faced with the dual tasks of improving the quality of the water delivered to customers due to the new mandates of the SDWA and other governmental requirements and, at the same time, maintaining an aging water utility infrastructure. We recognize that, in recent years, PAWC and other Pennsylvania water companies have been required to make significant investments in new utility plant for projects such as: the filtration of surface water supplies; the replacement of aging water distribution plant; and, the implementation of meter replacement programs. In addition, water companies face the daunting challenge of rehabilitating their existing distribution infrastructure before the property reaches the end of its service life to avoid serious public health and safety risks.

In the Commission's judgement, the establishment of a DSIC along the lines proposed by PAWC can substantially aid the water company in meeting these challenges on behalf of the water consuming public. We agree with the company that the establishment of a DSIC would enable the company to address, in an orderly and comprehensive manner, the problems presented by its aging water distribution system, and would have a direct and positive effect upon water quality, water pressure and service reliability. For these reasons, we endorse the concept of using an automatic adjustment clause to address this regulatory problem for the water industry in Pennsylvania and, in particular, the type of DSIC proposed by PAWC.

A. Legal Issues

In Pennsylvania, utility costs are recovered from customers through Section 1308 base rates and through Section 1307 automatic adjustment clauses. The purpose of a Section 1307

automatic adjustment clause is to provide an automatic mechanism enabling utilities to recover specific costs not covered by general rates. Allegheny Ludlum Steel Corporation. v. Pa. P.U.C., 501 Pa. 71, 75 n.3, 459 A.2d 1218, 1220 n.3 (1983). Moreover, Section 1307(e), 66 Pa. C.S. §1307(e), provides that the automatic adjustment clause procedures shall include an annual report detailing the revenues collected and the expenses incurred under the automatic adjustment clause, followed by a public hearing to reconcile the amounts and to determine any refunds owed to customers or additional recovery due from customers.

Until recently, an automatic adjustment clause has usually been applied only to gas and electric companies. However, the Commission has provided for the recovery of capital costs in at least one instance to date, i.e., for PECO Energy's costs to convert oil-fired units to units which burn natural gas. Philadelphia Electric Co. ECR No. 3, Docket No. M-00920312 (Order adopted April 1, 1993). The Commission has also adopted a policy statement which encourages water companies to seek Section 1307(a) cost recovery for their PENNVEST debt costs, 52 Pa. Code §69.361, and policy statements approving Section 1307 cost recovery for certain FERC Order 636 stranded costs, 52 Pa. Code §69.341(b)(4), and electric utility coal uprating costs, 52 Pa. Code §57.124(a). Moreover, since 1970, the Commission has authorized all utilities to use an automatic adjustment clause mechanism to recover certain incremental changes in state tax rates. 52 Pa. Code §69.44.

Pennsylvania case law regarding the permissible scope of Section 1307 cost recovery, while not extensive, supports a broad interpretation of that section. In National Fuel Gas Distribution Corp. v. Pa. P.U.C., 473 A.2d 1109, 1121 (Pa. Cmwlth. 1984), the

Commonwealth Court held that the purpose of Section 1307 of the Code is to permit reflection in customer charges of changes in one component of a utility's cost of providing public service without the necessity of the "broad, costly and time-consuming inquiry" required in a Section 1308 base rate case. Moreover, under the 1995 PIEC decision, the Commonwealth Court adopted the Commission's legal position that its use of Section 1307 was not limited to fuel and purchased power costs. At the same time, the Commonwealth Court cautioned that Section 1307 should have limited application and should not override the traditional ratemaking process. PIEC at 1349. In determining whether DSM costs could be recovered through the Section 1307 mechanism, the Court wrote:

> Although we agree that Section 1307 should have limited application and the PUC should not use it to disassemble the traditional rate-making process, the General Assembly did not limit the allowance of automatic adjustment to only fuel costs and taxes which are generally beyond the control of the utility. Instead, the General Assembly specifically allowed the recovery of fuel costs and also allowed the PUC or the utilities to initiate the automatic adjustment of costs within specific procedures...In this case, Section 1319 of the Code specifically states that all prudent and reasonable costs should be recovered and sets forth requirements that the proposed programs be determined to be "prudent and cost-effective" by the PUC (or the Bureau of Conservation, Economics and Energy Planning as designated by the PUC), before any costs may be recovered through the surcharge mechanism.

PIEC at 1349 (emphasis added). The Court then concluded that the recovery of DSM costs under Section 1307 was lawful because the language of Section 1307 gives the Commission discretion to establish automatic adjustment clauses for the recovery of prudently incurred

costs, and because in Section 1319 the legislature specifically identified and provided for the recovery of prudent and reasonable costs for developing DSM programs.

Clearly, the Court in PIEC recognized the importance of the statute (Section 1319) in providing for the recovery of development costs of the DSM programs via Section 1307. However, the Court also recognized that the language of Section 1307 is not limited to a narrow set of costs (as advocated by the industrials), that whether the costs at issue should be recovered via an automatic adjustment clause is a matter of Commission discretion, and that the court "is not free to substitute its discretion for the discretion properly exercised by the PUC in establishing the surcharge method." PIEC at 1349.

Turning to the PAWC proposal to file and implement an automatic adjustment clause to recover its distribution system improvement costs, we find that the proposal is appropriately limited and narrowly tailored to recover a specific category of utility costs - the incremental fixed costs (depreciation and pre-tax return) associated with non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in service between base rate cases. Recovery of this narrow set of costs is clearly permitted under Section 1307 (a) (which has no cost category limitation in its language) and Pennsylvania case law; and, in the Commission's judgment, this proposal is in no way a mechanism to "disassemble" the traditional ratemaking process for several reasons: first, the DSIC is designed to identify and recover the distribution system improvement costs incurred between rate cases; second, the costs to be recovered represent a narrow subset of the company's total cost of service; and third, the DSIC amount will be capped at a relatively

low level to prevent any long-term evasion of a base rate review of these plant costs. Indeed, the company's proposal recognizes that there will be a full review of these costs in a subsequent Section 1308 base rate proceeding. We also note that the DSIC is designed to reflect only the costs of the eligible plant additions that are actually placed in service during the 3-month periods ending one month prior to the effective date of each surcharge update; this key provision serves to avoid any potential violation of Section 1315 and this state's long-standing "used and useful" rule.

Additionally, we find that Sections 1307(d) and (e) provide broad auditing powers to the Commission and a formal reconciliation mechanism to carefully monitor the operation of such a surcharge. While admittedly Section 1307(d) is addressed to fuel cost adjustment audits, we do not view the Commission's auditing power over automatic adjustment clauses as limited to only fuel costs, given the broad auditing and investigative powers granted to the Commission via Sections 504, 505, 506, and 516 of the Public Utility Code. 66 Pa. C. S. §§504, 505, 506, 516. Nor would we be likely to approve a utility's request for approval of an automatic adjustment clause in the absence of its complete agreement that the Commission has such auditing powers. Moreover, Section 1307(e) provides for a mandatory annual reconciliation report regarding the revenues and expenses recovered via an automatic adjustment clause and a "public hearing on the substance of the report and any matters pertaining to the use by such public utility" of the automatic adjustment clause. As such, the costs to be recovered via the company's DSIC proposal will be subject to the Commission's auditing powers, an annual reconciliation report and public hearings.

B. General Tariff Parameters

The basic elements of a tariff supplement to implement a lawful DSIC mechanism include a statement of purpose and description of eligible property, a specification of its effective date and the dates of its subsequent quarterly updates, details regarding the computation methodology, and appropriate consumer safeguards. The proposed tariff supplement included with the PAWC petition, as Exhibit A, has no such details. Therefore, in order to provide guidance to PAWC and any other water utility that may need to implement a DSIC, the Commission has developed sample tariff language that, if used in a water utility's Section 1307 proposed tariff supplement, is likely to receive the Commission's approval. The sample tariff language is contained in Attachment A to this order.

A properly designed tariff supplement to establish a DSIC that meets the requirement of Section 1307 and contains adequate consumer safeguards should include the following features:

- specification of the eligible plant accounts by type and account number;
- elimination from eligibility of (a) the costs of extending facilities to serve new customers[1] and (b) the costs of projects funded by PENNVEST loans;

[1] For purposes of the DSIC surcharge, the existing customers of a newly-acquired water company are not "new customers" and, thus, the replacement of aging water distribution facilites by the acquiring water utility in order to maintain safe, reliable and adequate service to such customers would be eligible for DSIC recovery.

- include recovery of main extensions installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern to existing customers;
- provision of a prospective January 1, 1997 effective date for the tariff supplement and the property eligible for the initial filing;
- if more than 2 years have elapsed since the utility's last base rate case, use of the equity return rate determined by staff and specified in the latest Quarterly Earnings Report released by the Commission;
- greater specification of the depreciation and pretax return elements in the formula to calculate the DSIC;
- added provision to provide interest to consumers for any over recoveries during operation of the DSIC; and
- provision for customer notice of any DSIC changes.

Thus, use of the sample tariff language will fully explain the DSIC computation, including a listing of DSIC eligible property and related account numbers, so that in future years the purpose and intent of the DSIC surcharge will be apparent from reading only the tariff supplement. Additionally, the inclusion of plant account numbers and descriptions of property eligible for DSIC cost recovery parallels the format used for other Section 1307 surcharges, such as the ECR for electric utilities, the GCR for gas distribution utilities and the SCR for steam heat companies.

With these key changes to PAWC's proposal, the eligible property, filing dates, calculation parameters, and consumer safeguards will be clearly specified. Moreover, we note here that the provisions (1) for resetting the DSIC to zero if the company's rate of return exceeds its allowable rate of return, and (2) for resetting the DSIC to zero as of the effective date of new Section 1308 base rates that provide for prospective recovery of the eligible plant costs both serve as effective and reliable rate mechanisms to insure that the DSIC automatic adjustment clause will not produce rates in excess of a fair return to the utility, as required by Section 1307(a). We also note that the provision of a 5% of billed revenues cap on the maximum amount of any DSIC insures that the surcharge mechanism will not evade the Section 1308 base rate process and its intensive top-to-bottom review of all company revenue, expense, rate base and return claims. See Attachment A, p.4. In other words, the 5% cap will insure that the surcharge will not allow the company to avoid a base rate review of the eligible property in perpetuity.

Accordingly, although we are denying the PAWC petition to the extent that it requests permission to file and implement a Section 1307(a) tariff supplement to implement a surcharge as set forth in its Exhibit A, we invite the company to file a new and more detailed tariff supplement consistent with the parameters outlined in the sample tariff language set forth in Attachment A to this order. The sample tariff language in Attachment A is identical to that recommended for the Philadelphia Suburban Water Company at Docket No. P-00961036 which has also requested permission to establish a DSIC surcharge.

As with other Section 1307 tariff filings, the new tariff supplement should provide for a notice period of no less than 60 days to allow sufficient time for staff review of the proposed tariff supplement and its initial rates for consistency with the sample tariff language and for accuracy of the plant account, depreciation, pre-tax return and other elements of the DSIC calculation. If recommended for approval by staff and formally approved by the Commission, the tariff supplement and initial rates to implement the DSIC will be permitted to go into effect, subject to the outcome of any timely filed complaints. Subsequent quarterly updates, however, may be filed on 10 days notice as originally proposed by the company.

THEREFORE,

IT IS ORDERED:

1. That the petition filed by the Pennsylvania American Water Company (PAWC) to file and implement a Section 1307(a) automatic adjustment clause tariff that would establish a Distribution System Improvement Charge (DSIC) is hereby approved in part and denied in part consistent with this order.

2. That all protests, answers and other objections filed with respect to the PAWC petition are hereby granted in part and denied in part consistent with this order.

3. That any complaints regarding the rates to be charged pursuant to a DSIC tariff supplement may be filed if and when PAWC files a tariff supplement with specific rates in accordance with the tariff parameters outlined by this order.

4. That the parameters set forth in the Appendix A are hereby adopted to serve as sample tariff language to be implemented for tariff supplements to establish a DSIC.

5. That the normal auditing, reconciliation, reporting and public hearing procedures applicable to all 1307(e) filings will likewise apply to all DSIC tariff supplements.

6. That this order be published in the Pennsylvania Bulletin.

7. That this order be served upon the Pennsylvania American Water Company, the Office of Consumer Advocate, the Office of Small Business Advocate, the Office of Trial Staff, the Pennsylvania-American Water Large Users Group, and the National Association of Water Companies.

BY THE COMMISSION,

John G. Alford
Secretary

(SEAL)

ORDER ADOPTED: August 22, 1996

ORDER ENTERED: AUG 26 1996

Attachment A

Sample Tariff Language

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

I. General Description

Purpose: To recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging water distribution infrastructure, to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act and to develop and implement solutions to regional water supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Also, Company projects receiving PENNVEST funding are not DSIC-eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

- services (account 323), meters (account 324) and hydrants (account 325) installed as in-kind replacements for customers;

- mains and valves (account 322) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52;

- main extensions (account 322) installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern for customers currently receiving service from the Company or the acquired Company;

- main cleaning and relining (account 322) projects; and

- unreimbursed funds related to capital projects to relocate Company facilities due to highway relocations.

Effective Date: The DSIC will become effective for bills rendered on and after January 1,1997.

II. Computation of the DSIC

Calculation: The initial charge, effective January 1, 1997, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rate base and will have been placed in service between September 1, 1996, and November 30,1996. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date To Which DSIC-Eligible Plant Addition Reflected
April 1	February 28
July 1	May 30
October 1	August 31
January 1	November 30

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:.

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully-litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission Staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DISC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for sales of water for the quarterly period during which the charge will be collected, exclusive of revenues from public fire protection service and the STAS.

Formula: The formula for calculation of the DISC surcharge is as follows:

$$DSIC = \frac{(DSI \times PTRR) + Dep + e}{PQR}$$

Where:

DSI = the original cost of eligible distribution system improvement projects.

PTRR = the pre-tax return rate applicable to eligible distribution system improvement projects.

Dep = Depreciation expense related to eligible distribution system improvement projects.

e = the amount calculated under the annual reconciliation feature as described below.

PQR = Projected quarterly revenue including any revenue from acquired companies that are now being charged the rates of the acquiring company.

Quarterly updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Office of Trial Staff, the Office of Consumer Advocate and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Safeguards

Cap: The DSIC will be capped at 5% of the amount billed to customers under otherwise applicable rates and charges.

Audit/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. It will also be subject to annual reconciliation based on a reconciliation period consisting of the 12 months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such overcollections will be refunded with interest. Interest on the overcollections will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec.101, et seq.) and will be refunded in the same manner as an overcollection.

New Base Rates: The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC.. Thereafter, only the fixed costs of new eligible plant additions, that have not previously been reflected in the Company's rate base, would be reflected in the quarterly updates of the DSIC.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section.

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 27, 2016

IN RE:	)	
	)	
PETITION OF TENNESSEE-AMERICAN WATER COMPANY FOR APPROVAL OF A QUALIFIED INFRASTRUCTURE INVESTMENT PROGRAM, AN ECONOMIC DEVELOPMENT INVESTMENT RIDER, A SAFETY AND ENVIRONMENTAL COMPLIANCE RIDER AND PASS-THROUGHS FOR PURCHASED POWER, CHEMICALS, PURCHASED WATER, WHEELING WATER COSTS, WASTE DISPOSAL, AND TRA INSPECTION FEE	)	**DOCKET NO. 13-00130**

ORDER APPROVING AMENDED PETITION

This matter came before Chairman James M. Allison, Vice Chairman Herbert H. Hilliard and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on April 14, 2014, to consider the *Petition* filed by Tennessee American Water Company on October 4, 2013, and amended by a *Stipulation* filed on January 10, 2014 and by tariffs filed on March 25, 2014 (the "*Amended Petition*").

BACKGROUND

Tennessee American Water Company ("TAWC" or the "Company") provides residential, commercial, industrial and municipal water service to customers in Tennessee and North Georgia. TAWC is a wholly-owned subsidiary of American Water Works Company, Inc. On October 4, 2013, TAWC filed a *Petition*, along with necessary tariffs, pursuant to Tenn. Code

Ann. § 65-5-103(d)[1] and TRA Rule 1220-4-1-.04, seeking to implement a Qualified Infrastructure Investment Program ("QIIP") Rider, Economic Development Investment ("EDI") Rider, Safety and Environmental Compliance ("SEC") Rider (sometimes referred to as Investment Riders or Capital Recovery Riders) and a Pass-Through Mechanism for Purchased Power, Chemicals, Purchased Water, Wheeling Water Costs, Waste Disposal and TRA Inspection Fee (Production Cost and Other Pass-Throughs, or "PCOP").

During the October 21, 2013 Authority Conference, the panel assigned to this matter convened a contested case and appointed General Counsel or her designee to prepare this case for hearing.[2] Subsequently, the Hearing Officer suspended the proposed tariffs through February 4, 2014, granted the intervention request of the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General ("Consumer Advocate") and issued a procedural schedule with a hearing date of January 13, 2014.[3]

On January 10, 2014, TAWC and the Consumer Advocate (together, the "Parties") filed a *Stipulation* that purported to resolve outstanding issues between the Parties.[4] By its terms, the *Stipulation* changed the terms of the riders requested by the Company. Although the Consumer Advocate agreed not to oppose the petition and tariffs as amended by the *Stipulation*, the Consumer Advocate took no position on whether the tariff riders were in the public interest.[5] Simultaneous with the Hearing on January 13, 2014, TAWC filed new tariff pages consistent with the terms of the *Stipulation*. At the Hearing held on January 13, 2014, TAWC confirmed

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[1] Tenn. Code Ann. § 65-5-103(d) went into effect on April 19, 2013, and authorizes the Authority to implement alternative regulatory methods.
[2] *See Order Convening a Contested Case and Appointing a Hearing Officer*, p. 1 (October 23, 2013).
[3] *See Order Establishing Procedural Schedule*, p. 2 (October 29, 2013).
[4] The *Stipulation* was filed on Friday, January 10, 2014 and the Hearing on the merits of the *Petition* was scheduled to be heard on Monday, January 13, 2014.
[5] *Stipulation*, p. 3 (January 10, 2014).

that the *Stipulation* was an amendment to the *Petition*.[6] Mr. Gary VerDouw, Central Division Director of Rates for TAWC, summarized the *Stipulation*. Members of the public were given an opportunity to comment.

Pursuant to Tenn. Code Ann. § 65-5-103(d)(1), the TRA has 120 days from the initial filing of a petition for an alternative regulatory method by a public utility to make a determination as to whether or not it should be approved. If there is a denial of the petition, the Authority must specify its reasons and the utility then has 60 days to amend the petition. The Authority is given 60 days to approve or deny the amended plan.[7] The statute is silent as to the Authority's ability to make material changes to the terms of a petition, but contemplates an amendment of the petition by the utility after a denial by the Authority. Therefore, the panel determined that material changes made to a petition or the filing of an amended petition by a utility should be treated as a new petition under the statute. The panel concluded that the *Stipulation* should be treated as a new petition and that the deadline for a determination by the Authority was 120 days from the filing of the *Stipulation*.

Following additional revisions, data responses, and discussions between the Parties and TRA Staff for clarification purposes and the correction of errors, TAWC filed the final revised tariffs on March 25, 2014. The tariffs had an effective date of April 15, 2014. The original *Petition*, *Stipulation,* and revised tariffs, are collectively referred to as the *Amended Petition* and are described below.

THE *AMENDED PETITION*

The *Amended Petition* requests approval of four alternative rate mechanisms, which are briefly described as follows:

[6] Transcript of Proceedings, p. 5 (January 13, 2014).
[7] Tenn. Code Ann. § 65-5-103(d)(1)(C).

Qualified Infrastructure Investment Program ("QIIP") Rider

According to TAWC, a substantial portion of the Company's distribution infrastructure is between 50 and 100 years old and is nearing the end of its useful service life.[8] The need to replace service lines, meters, hydrants, treatment structures, pumps, and equipment, is critical to maintaining public safety, continuous, and cannot be delayed.[9] The timely recovery of the fixed costs of infrastructure replacement through the QIIP rider provides an incentive for increased and continued levels of capital infusion, resulting in a stronger and more reliable water distribution and production system.[10] According to TAWC, the QIIP will allow the Company to prudently invest in necessary infrastructure repair and improvement projects absent the burden of bearing or carrying the investment in full without an opportunity to earn a fair rate of return on that investment until the next rate case.[11]

Economic Development Investment ("EDI") Rider

The EDI Rider will allow TAWC to work alongside the communities it serves by making the investment in either the replacement of existing or placement of new infrastructure. The Company will install or replace the infrastructure so that the community can use the improvement for economic development purposes.[12] TAWC is requesting to recover expenses associated with these efforts to promote economic development within its service territory.[13]

Safety and Environmental Compliance ("SEC") Rider

The SEC Rider will allow the Company to recover the operational expenses and capital costs related to safety requirements and environmental compliance.[14] Additional infrastructure

[8] Gary M. VerDouw, Pre-Filed Direct Testimony, p. 12 (October 4, 2013).
[9] *Id.*
[10] *Id.*
[11] Deron E. Allen, Pre-Filed Direct Testimony, pp. 6-7 (October 4, 2013).
[12] *Id.* at 7.
[13] *Id.* at 8.
[14] *Id.* at 9.

investment may be required to meet safety and environmental compliance mandates from both state and federal government. According to the Company, the most appropriate way to address a potential alternate rate-making approach for safety and environmental compliance is well in advance of the need to invest in the infrastructure. The SEC Rider will allow infrastructure investment on a proactive rather than reactive basis, while avoiding rate shock, if possible.[15]

Production Cost and Other Pass-Throughs ("PCOP")

TAWC is requesting pass-through recovery of purchased power, chemicals, purchased water, wheeling cost, waste disposal and regulatory expense related items. According to the Company, the cost of these essential expenses incurred during its regular operations is outside of TAWC's control. If there is an increase, the Company cannot recover for such increases until its next rate case, negatively impacting its opportunity to earn the rate of return set by the TRA.[16] Under the PCOP, the costs could be recovered in between rate cases and any decrease in costs would be passed through to customers via a monthly line item.[17]

The adjustments and clarifications that were made to the Company's original filing and included in the *Stipulation* filed with the TRA on January 10, 2014 changed the Company's original proposed revenue requirement surcharge amount very little. The Company's original filed QIIP, EDI and SEC Riders were to generate a total surcharge that would add 1.11% to the bills of Tennessee American customers. With the adjustments made and included in the *Stipulation*, the QIIP, EDI and SEC Riders will generate a total surcharge of 1.08%, with a

[15] Gary M. VerDouw, Pre-Filed Direct Testimony, pp. 34-35 (October 4, 2013).
[16] Deron E. Allen, Pre-Filed Direct Testimony, p. 9 (October 4, 2013).
[17] *Id.* at 10.

resulting total annual revenue requirement of $510,837.[18] TAWC asserts that implementation of the PCOP mechanism will reduce consumers' bills by 1.15% during the first year.[19]

TAWC avers that the four alternative rate mechanisms are in the public interest. According to the Company, each of the proposed mechanisms is mutually beneficial to the ratepayers, the public, and TAWC. Among other things, the ratepayers benefit from the reduced need for general rate cases and from the lessening of the occurrence of "rate shock." The ratepayers and the public benefit from the safety and reliability components and from the more seamless and timely capital investment in infrastructure, coupled with the related support to economic development, growth and job creation. The Company benefits from a more efficient, streamlined regulatory process that presents TAWC with the opportunity to timely recover its expenses and earn a fair rate of return on its investments.[20]

APRIL 14, 2014 HEARING

A Hearing in this matter was held before the voting panel on April 14, 2014. Participating in the Hearing were the following Parties and their respective counsel:

> Tennessee American Water Company – Melvin J. Malone, Esq., Butler, Snow, O'Mara, Stevens and Cannada, PLLC, The Pinnacle at Symphony Place, 150 3rd Avenue South, Suite 1600, Nashville, TN 37201
>
> Consumer Advocate – Joe Shirley, Esq., Office of the Attorney General, 425 Fifth Avenue North, Fourth Floor, John Sevier Building, P.O. Box 20207, Nashville, TN 37202

Mr. Gary M. VerDouw appeared as a witness for TAWC and was subject to questions from the panel.[21] Members of the public were given an opportunity to present comments to the panel.

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[18] Gary M. VerDouw, Pre-Filed Supplemental Testimony, p. 10 (January 17, 2014).
[19] Gary M. VerDouw, Pre-Filed Supplemental Testimony, Revised Exhibit 2, p. 13 of 14 (April 1, 2014).
[20] Gary M. VerDouw, Pre-Filed Supplemental Testimony, pp. 10-12 (January 17, 2014).
[21] All of the witnesses who submitted pre-filed testimony on behalf of TAWC and the Consumer Advocate were available for questions during the Hearing. However, only Mr. VerDouw presented testimony at the Hearing. The Consumer Advocate waived cross-examination of the witness.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann. § 65-5-103(d)(1)(A) reads: "The [A]uthority is authorized to implement alternative regulatory methods to allow for public utility rate reviews and cost recovery in lieu of a general rate case proceeding before the [A]uthority." Further, Tenn. Code Ann. § 65-5-103(d)(2)(A) states:

> A public utility may request and the authority may authorize a mechanism to recover the operational expenses, capital costs or both, if such expenses or costs are found by the authority to be in the public interest, related to any one (1) of the following:
> (i) Safety requirements imposed by the state or federal government;
> (ii) Ensuring the reliability of the public utility plant in service; or
> (iii) Weather-related natural disasters.

Under Tenn. Code Ann. § 65-5-103(d)(3)(A), "[a] public utility may request and the authority may authorize a mechanism to recover the operational expenses, capital costs or both related to the expansion of infrastructure for the purpose of economic development, if such expenses or costs are found by the authority to be in the public interest." Tenn. Code Ann. § 65-5-103(d)(4)(A)(i) states, "[a] public utility may request and the authority may authorize a mechanism to recover expenses associated with efforts to promote economic development in its service territory, if such expenses are found by the authority to be in the public interest. In addition, Tenn. Code Ann. § 65-5-103(d)(5) provides:

> (A) A public utility may request and the authority may authorize a mechanism to recover the operational expenses, capital costs or both related to other programs that are in the public interest.
> (B) A utility may request and the authority may authorize a mechanism to allow for and permit a more timely adjustment of rates resulting from changes in essential, nondiscretionary expenses, such as fuel and power and chemical expenses.

The General Assembly's enactment of the alternative regulatory rate-making methods under Tenn. Code Ann. § 65-5-103(d) did not alter or limit the Authority's general supervisory, regulatory and rate-setting powers over public utilities within its jurisdiction. Tenn. Code Ann. §

65-4-104 grants the Authority "general supervisory and regulatory power, jurisdiction and control over all public utilities." Under Tenn. Code Ann. § 65-4-117(a)(3) the Authority has the power to "fix just and reasonable standards, classifications, regulations, practices or services to be furnished, imposed, observed and followed thereafter by any public utility." Tenn. Code Ann. § 65-5-101(a) authorizes the Authority "to fix just and reasonable individual rates, joint rates, tolls, fares, charges or schedules thereof, as well as commutation, mileage, and other special rates which shall be imposed, observed, and followed thereafter by any public utility as defined in § 65-4-101." The Authority's jurisdiction over public utilities is to be liberally construed in favor of the Authority under Tenn. Code Ann. § 65-4-106.[22] The Authority has a broad grant of authority under Tennessee law over the utilities within its jurisdiction.[23]

Pursuant to its authority to implement alternative regulatory methods, as well as its general rate-setting powers, the TRA has the authority and discretion to determine whether an alternative rate mechanism produces rates and charges for public utilities services that are just and reasonable and in the public interest. In this regard, the Authority's power and discretion to consider the substantive impact of an alternative ratemaking method or mechanism applies not only to the initial rate adjustment, but also to all subsequent rate adjustments made under an approved alternative rate mechanism. In carrying out its responsibilities, the Authority may consider whether an alternative regulatory method: (1) is consistent with applicable TRA orders, rules, and established ratemaking policies and principles; (2) ensures that recoverable costs and

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[22] Tenn. Code Ann. § 65-4-106 states: "This chapter shall not be construed as being in derogation of the common law, but shall be given a liberal construction, and any doubt as to the existence or extent of a power conferred on the authority by this chapter or chapters 1, 3 and 5 of this title shall be resolved in favor of the existence of the power, to the end that the authority may effectively govern and control the public utilities placed under its jurisdiction by this chapter."

[23] *See, e.g., CF Industries v. Tennessee Public Service Commission*, 599 S.W.2d 536, 542 (Tenn. 1980); *Tennessee Cable Television Association v. Tennessee Public Service Commission*, 844 S.W.2d 151, 159 (Tenn. Ct. App. 1992); *Laurel Hills Condominiums Property Owners' Association v. Tennessee Regulatory Authority*, 2014 WL 1494126, *4-*8 (Tenn. Ct. App. Apr. 14, 2014), *perm. app. denied* (Tenn. Oct. 15, 2014).

expenses are reasonably and prudently incurred by the utility for provisioning regulated services; (3) provides for timely, meaningful and transparent review and approval of all rate adjustments made under the alternative rate mechanism; (4) continues to be in compliance with TRA orders and tariffs establishing the alternative rate mechanism; and (5) remains in the public interest taking into account any changed circumstances or conditions.

At the regularly scheduled Authority Conference held on April 14, 2014, the panel considered the *Amended Petition* and tariffs filed on March 25, 2014. Based upon the pleadings of the parties, arguments of counsel and presentation of the witness, as well as review of the tariffs and entire administrative record, the panel made the following findings:

1. The *Amended Petition* and, specifically, the tariffs establishing the alternative rate mechanisms filed on March 25, 2014, meet the requirements of Tenn. Code Ann. § 65-5-103(d).

2. The methodologies contained in the tariffs provide for recovery of operating expenses and costs related to investment in infrastructure which are generally permissible for utility ratemaking purposes.

3. The tariffs provide for definitions of investments and expenses authorized for recovery and formulas for computing revenue requirements and rate adjustments consistent with established ratemaking policies, principles, methodologies, and the authorized rate of return approved in the Company's most recent rate case.[24]

4. The tariffs are designed to ensure that customers ultimately pay no more than the amount authorized for recovery under the alternative rate mechanisms through annual true-up provisions.

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[24] *In re Petition of Tennessee American Water Company for a General Rate Increase, Implementation of a Distribution System Infrastructure Charge and the Establishment of Tracking Mechanisms for Purchased Power, Pensions and Chemical Expenses,* TRA Docket 12-00049, *Order Approving Settlement Agreement* (November 20, 2012).

5. The tariffs provide for filing procedures and requirements, including submission of supporting documentation, intended to ensure timely and transparent review of all proposed rate adjustments.

6. The operating expenses to be recovered under the PCOP mechanism were reasonably and prudently incurred in the provisioning of regulated water services.

7. The expenses and costs related to investments in infrastructure to be recovered under the QIIP, EDI and SEC mechanisms are the type of expenses and costs that are generally allowable for utility ratemaking purposes. The reasonableness and prudency of such costs and expenses will be determined by the Authority after they are incurred.

8. The alternative rate mechanisms allow TAWC to recover the funds necessary to repair and replace necessary plant in a timely manner resulting in safe and reliable drinking water to customers.

9. The Company's timely recovery of prudently incurred costs related to investments in infrastructure and related expenses under the Capital Recover Riders, along with its recovery of prudent operating expenses under the PCOP Rider, should lessen the need for full-scale rate case proceedings, which in turn should result in a decreased amount of legal fees and rate case expenses included in customer rates.

10. According to evidence presented, the initial QIIP, EDI and SEC mechanisms will result in a combined 1.08% increase to consumers' bills, while implementation of the initial PCOP mechanism will reduce consumers' bills by 1.15%. In total, consumers will experience a decrease in their monthly bills of 0.07% during the first year.

After review of the filings and evidence presented in this docket, and in light of the foregoing findings and conclusions, the panel found that the proposed Qualified Infrastructure

Investment Program, Economic Development Investment Rider, Safety and Environmental Compliance Rider and Production Costs and Other Pass-Through Mechanism to be reasonable and in the public interest. Therefore, the panel approved the *Amended Petition* and the tariffs submitted on March 25, 2014, to become effective on April 15, 2014.

IT IS THEREFORE ORDERED THAT:

The *Amended Petition* filed by Tennessee American Water Company and as discussed herein, is approved. The tariffs submitted on March 25, 2014 are approved and shall become effective on April 15, 2014.

Vice Chairman Herbert H. Hilliard and Director Kenneth C. Hill concur. Chairman James M. Allison concurred with the motion.

ATTEST:

Earl Taylor

Earl R. Taylor, Executive Director

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois-American Water Company	:	
	:	
Proposed Implementation of a	:	
Qualifying Infrastructure Plant	:	**09-0251**
(QIP) surcharge rider.	:	

ORDER

By the Commission:

I. PROCEDURAL HISTORY

On April 23, 2009, Illinois-American Water Company ("IAWC" or the "Company") filed tariffs to implement Qualifying Infrastructure Plant ("QIP") Surcharge Riders in its Champaign, Sterling, Pekin, Lincoln, South Beloit, and Chicago Metro Water and Waste Water Districts, pursuant to Section 9-220.2 of the Illinois Public Utilities Act (the "Act"). 220 ILCS 5/9-220.2 and 83 Ill. Adm. Code 656. The tariffs were suspended by the Illinois Commerce Commission ("Commission) on May 20, 2009 and resuspended on September 10, 2009.

Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, hearings were held by a duly authorized Administrative Law Judge ("ALJ") at the Commission offices in Springfield, Illinois on June 16, July 9, and July 22, 2009. On July 7, 2009, the City of Champaign filed a Petition to Consolidate this proceeding with the pending IAWC rate proceeding, Docket No. 09-0319. This motion was denied by the ALJ.

Appearances were entered in this proceeding by the Company, The People of the State of Illinois, by Lisa Madigan, Attorney General of the State of Illinois ("AG"), City of Champaign ("City), Village of Bolingbrook, the Citizens Utility Board and Staff of the Illinois Commerce Commission ("Staff"). At the evidentiary hearing on October 19, 2009 at the Commission's Springfield office, Rich Kerckhove and Jeffrey T. Kaiser testified on behalf of the Company. Scott J. Rubin testified on behalf of the AG, and Thomas Q. Smith, Economic Analyst in the Water Department of the Financial Analysis Division of the Commission, testified on behalf of Staff. The record was marked "Heard and Taken" on October 19, 2009. An Administrative Law Judge's ruling was served on the parties on January 6, 2010 directing IAWC to file the required notices of publication and notices to customers pursuant to Part 656.30(c)(2). A response providing the required notices was filed by IAWC on January 11, 2010. Following the filing of the late-filed exhibit by IAWC, the record was re-opened and the exhibit was admitted into the record. The record was then again marked "Heard and Taken."

On November 16, 2009, the Company and the Staff of the Illinois Commerce Commission (“Staff”) both filed Initial Briefs in this matter. On the same date, the City of Champaign and the Office of the Illinois Attorney General (“City/AG”) filed a joint Initial Brief. Reply Briefs were filed by Staff, IAWC and City/AG. A Proposed Order was served on the parties. Briefs on Exceptions ("BOE") were filed by IAWC and Staff which noted some typographical errors in the Proposed Order, but did not take exception to any of the findings. A BOE was also filed by City/AG which took exception to the findings in the Proposed Order and offered two alternate changes in the language in the Commission Analysis and Conclusion portion of the Proposed Order; however, the City/AG BOE did not offer any alternate language for the Finding and Ordering Paragraphs, as appears to be required by 83 Ill. Adm. Code Part 83 Section 200.830(b). Reply Briefs on Exceptions ("RBOE") were filed by Staff and IAWC.

II. STATUTORY AUTHORITY

The Company’s request is governed by Section 9-220.2 of the Act, which states:

> a. The Commission may authorize a water or sewer utility to file a surcharge which adjusts rates and charges to provide for recovery of (i) the cost of purchased water, (ii) the cost of purchased sewage treatment service, (iii) other costs which fluctuate for reasons beyond the utility's control or are difficult to predict, or (iv) costs associated with an investment in qualifying infrastructure plant, independent of any other matters related to the utility's revenue requirement. A surcharge approved under this Section can operate on an historical or a prospective basis.
>
> b. For purposes of this Section, "costs associated with an investment in qualifying infrastructure plant" include a return on the investment in and depreciation expense related to plant items or facilities (including, but not limited to, replacement mains, meters, services, and hydrants) which (i) are not reflected in the rate base used to establish the utility's base rates and (ii) are non-revenue producing. For purposes of this Section, a "non-revenue producing facility" is one that is not constructed or installed for the purpose of serving a new customer.
>
> c. On a periodic basis, the Commission shall initiate hearings to reconcile amounts collected under each surcharge authorized pursuant to this Section with the actual prudently incurred costs recoverable for each annual period during which the surcharge was in effect.
>
> 220 ILCS 5/9-220.2

The Commission adopted 83 Ill. Adm. Code 656, “Qualifying Infrastructure Plant Surcharge” (“Part 656”) to implement Section 9-220.2 of the Act.

III. PARTY POSITIONS

A. IAWC's Position

IAWC submits that it has met its burden in complying with the requirements of Part 656, and, other than technical corrections proposed by Staff, notes that no witness in this proceeding asserts that IAWC's filing is not in accordance with Part 656.

IAWC witness Kerckhove testifies that the Company's proposed QIP Surcharge Riders will operate in exactly the same manner as the current QIP riders that were previously approved by this Commission in Docket No. 04-0336. He further testifies that the information filed in support of the Rider by IAWC mirrors the information proffered to the Commission as part of Docket No. 04-0336.

IAWC argues that Staff conducted a thorough review of the Company's request, and that as a result of that review, Staff witness Smith suggested several minor technical corrections to the Company's proposed tariffs, which changes the Company agreed to adopt. IAWC further notes that Mr. Smith also discusses the purpose of the QIP as well as the criteria for approval of the same, and ultimately finds that the Company has justified the need for the requested Surcharge Riders and recommends that the Commission grant the Company's request.

IAWC notes that AG witness Scott Rubin expressed his general opinion that it is poor public policy "to allow a utility to selectively revise its rates to reflect the costs of new capital investments." IAWC avers that Mr. Rubin appears to miss the point of this proceeding, as the bulk of his testimony presents general policy arguments against the Surcharge Rider concept. IAWC submits that the policy question of whether or not to allow for a QIP Surcharge Rider was decided by the Illinois Legislature when it enacted Section 9-220.2 of the Act, followed by Commission adoption of Part 656. In light of the unambiguous legislative and regulatory action to implement the QIP Surcharge Rider, IAWC argues that Mr. Rubin's arguments simply have no place in the instant proceeding and should be disregarded.

IAWC argues that throughout this proceeding, the City/AG have ignored the specific, established, criteria against which the Company's request should be judged in favor of broad policy arguments against riders, noting that the City/AG brief continues this pattern - attacking IAWC's proposal by painting riders generally, and the QIP rider specifically, as dangerous tools of utility abuse.

IAWC submits that the proper focus of the instant proceeding is whether IAWC's request meets the requirements to implement a QIP surcharge pursuant to the provisions of 9-220.2 and Part 656. IAWC does not disagree with the City/AG statement that "Section 9-220.2 is permissive, not mandatory in that it provides the Commission "may" allow the QIP surcharge. IAWC submits that the Commission, however, exercised its authority when it determined, in its judgment, that a QIP

surcharge rider concept was something that should be pursued, and then established the comprehensive rules of Part 656.

IAWC disputes the City/AG's claim that the QIP rider will result in double recovery of IAWC's expenses. IAWC notes that pursuant to Part 656 rules, the proposed QIP Rider can not recover costs related to QIP-eligible projects that are already reflected in current rates. Rather, the proposed QIP Rider is intended to recover costs for QIP projects that are properly recoverable in a manner consistent with the Part 656 rules, but are not recognized in current rates. IAWC notes further, the proposed QIP Rider, if approved before the end of the current rate case (Docket No. 09-0319), will be set to zero when new base rates are approved in that case. IAWC insists that, under the Part 656 rules, there is no risk of double recovery. Moreover, IAWC claims the ability to confirm the appropriateness of the revenue recovery (or to verify the absence of "double recovery") is provided in both the QIP Rider approval proceeding and subsequent QIP Rider reconciliation proceedings.

IAWC submits that no witness has challenged the Company's compliance with the requirements of Part 656, and that the appropriateness of the recovery of costs through a QIP Surcharge Rider was considered by the Illinois Legislature when it enacted 9-220.2 of the Act. IAWC notes that by such enactment, the Illinois Legislature specifically authorized the QIP Surcharge Rider, as well as defined what constitutes appropriate QIP costs.

B. Staff's Position

Staff does not oppose adoption of the Company's QIP Surcharge Rider. Staff witness Smith testified that a QIP Surcharge Rider provides timely rate relief and funding for the replacement of old and deteriorating distribution and collections systems and reduces regulatory lag. Mr. Smith further testified that IAWC currently possesses QIP Surcharge Riders applicable to the Alton, Cairo, Interurban, Peoria, Streator, and Pontiac Districts, which were approved by the Commission in Docket No. 04-0336 on December 15, 2004. Mr. Smith also noted that IAWC's proposed tariffs in the instant proceeding are substantially identical to the tariffs which were approved by the Commission in Docket No. 04-0336, with the only differences in the tariffs being items of identification.

In his testimony, Staff witness Smith identified some technical problems with IAWC's proposed tariffs, in that in various places the tariffs contain the phrase "file district", when the intended phrase is "fire protection district." Mr. Smith recommended the compliance tariffs be revised to reflect the intended phrase and the Company agreed.

Mr. Smith further testified that IAWC Exhibit 1.1 and IAWC Exhibit 1.2 both contain language indicating that it is intended that each set is applicable to customers in "All Districts," however IAWC indicates that IAWC Exhibit 1.1 be applicable to the entire Chicago Metro Division except the South Beloit District, and that IAWC Exhibit 1.2

should be applicable to only the South Beloit District of the Chicago Metro Division. Mr. Smith recommended the compliance tariffs be revised so that it is clear which set of tariffs is applicable to the Chicago Metro Division except for the South Beloit District, and which set of tariffs is applicable only to the South Beloit District. IAWC agreed to make the recommended revisions in its compliance tariffs.

Lastly, the proposed tariffs in IAWC Exhibit 1.4 pages 4, 5, and 7 contain mislabeled paragraphs. Mr. Smith recommended that the correct labeling of paragraphs be included in the compliance tariffs and the Company agreed. Staff witness Smith recommended that the Commission direct the Company to correct the above mentioned technical errors.

Staff notes that the requirements for approval of a QIP Surcharge Rider are outlined in 83 Ill. Adm. Code 656.90. Subsection a) states: "A utility's filing seeking initial approval of a QIP surcharge rider for a rate zone shall be accompanied with the necessary testimony and exhibits justifying the rider." Mr. Smith further testified that, in his opinion, IAWC has met the requirements to implement QIP Surcharge Riders which are authorized by Section 9-220.2 of the Act and implemented by rules in Part 656.

Mr. Smith testified that in his opinion there is no risk of double recovery of costs by the Company under Part 656, and further noted that when new base rates go into effect after the Company's pending rate case in Docket No. 09-0319, the proposed QIP surcharge percentage will be reset to zero. Mr. Smith further noted that to be classified as QIP, replacements must be installed after the conclusion of the test year in the utility's last rate case, and cannot be included in the calculation of the rate base in the utility's last rate case. Mr. Smith further testified that the QIP Surcharge Rider annual reconciliation proceedings will provide an opportunity to verify the appropriateness of the recovery of costs.

Staff notes that while in theory the City/AG argument that the Commission is not required to approve a QIP surcharge rider may be correct, the Commission has adopted Part 656 to implement Section 9-220.2 of the Act, which includes the general requirements for approval of a QIP surcharge rider. Staff argues that outside of Section 9-220.2 of the Act and Part 656, there are no other criteria which IAWC needs to meet in order for the Commission to approve a QIP surcharge rider.

While City/AG argue that the Commission should examine the necessity of a QIP surcharge rider and whether the rider would be good public policy in each case, Staff submits that the existence of Section 9-220.2 of the Act and Part 656 indicates that the General Assembly has already decided that if the requirements of Section 9-220.2 of the Act and Part 656 are met then approval of a QIP surcharge rider is necessary and good public policy.

Staff further notes that City/AG argues that proposed rate increases pursuant to Section 9-201 of the Act must be "just and reasonable and do so within the regulatory parameters which require use of a consistent test year and prohibit retroactive and

single-issue ratemaking." While Staff does not disagree that Section 9-201 of the Act requires rates that are just and reasonable, Staff notes that this proceeding was not brought under Section 9-201 of the Act. Rather, this proceeding was brought pursuant to Section 9-220.2 of the Act. Further, Staff does not disagree with the standards for review of traditional riders set forth in the case law cited by City/AG; however, this proceeding does not involve a request for a traditional rider. This proceeding involves a request for approval of a QIP surcharge rider which is specifically authorized by Section 9-220.2 of the Act and implemented by requirements set forth in Part 656.

C. City/AG's Position

City/AG take the position that the Commission is not required to approve a QIP surcharge rider, and that Section 9-220.2 of the Act did not direct the Commission to approve a QIP surcharge simply upon request. Rather, while allowing such a rider, City/AG argues that the law authorizes the Commission to examine the necessity of such a rider and whether it represents good public policy in any particular instance. City/AG opines that IAWC has the burden to prove that the surcharge is reasonable and necessary independent of any other matters related to its revenue requirement.

City/AG argue that IAWC should be strictly held to its burden as an automatic adjustment mechanism such as the QIP surcharge violates the matching principle of rate making and helps to destroy the underlying relationships between utility rates and levels of costs and investment. City/AG further opines that the use of a QIP Surcharge skews the repair/replace decision and result in the replacement of mains before the end of their economic life.

City/AG notes that the QIP Surcharge gives IAWC immediate recovery of the carrying costs of new capital investments; however expenditures on repair and maintenance are absorbed by IAWC until its next rate case. City/AG submits this gives IAWC an incentive to replace rather than repair.

Considered in light of these regulatory effects, to insure that inappropriate incentives are not created, and to insure that consumers are not harmed by allowing a pass-through for otherwise ordinary expenses and investments, City/AG argue the Commission should reject IAWC's request for a QIP surcharge.

City/AG avers that the Act and state and federal case law regarding the rate making process are based on the concept that riders should not be used unless there is a valid reason to remove certain costs from the ratemaking formula. City/AG argue that the evidence shows that five of the seven categories of cost for which IAWC seeks rider treatment have not fluctuated significantly comparing the five years between 2004 and 2008 and the five years between 2009 and 2013. Further the remaining two categories of cost (water and sewer collecting mains) have not fluctuated significantly beginning in 2009. City/AG argues that flat rate of investment shown for five of the seven categories of plant investment indicate no need for a rider.

City/AG cite the case of A. Finkl & Sons Company v. Illinois Commerce Commission, 250 Ill.App.3d 317, 620 N.E.2d 1141 (1st Dist. 1993), wherein the Illinois Appellate Court held that while riders are useful in alleviating the burden imposed upon a utility in meeting unexpected, volatile or fluctuating expenses, the Court noted that the amount of costs to be recovered through the rider at issue in the case was not significant, making rider recovery inappropriate.

City/AG argue that riders shift all of the risk and cost responsibility to customers who are least able to influence cost levels, and remove both the discipline of budgeting between rate cases and the review attendant to rate cases and test year analysis, while also increasing administrative complexity by adding an annual reconciliation and add complexity and volatility to customer bills.

City/AG also argues that IAWC should demonstrate that its financial integrity would be impaired absent the approval of the QIP surcharge, which it has failed to do. City/AG are also concerned about the possibility of double-recovery from ratepayers as IAWC proposes the use of the same test year for its rate case as the basis for its QIP surcharge. City/AG witness Mr. Rubin explained that double-counting will result because the QIP surcharge is based on annual projections, so starting at the beginning of a given year, IAWC will recover costs for projects that have not been started or completed.

City/AG note that both the Company and the Staff cite the Commission rules governing QIP surcharges that require a utility seeking initial approval of a QIP surcharge rider to file testimony and exhibits "justifying the rider." However, City/AG opines that neither party described the justification for the riders, which failure to provide evidence that the rider results in just and reasonable charges is fatal for IAWC since the rule regarding a QIP rider is subject to both Section 9-220.2 of the Act and Section 9-201 of the Act. City/AG argues that merely following the mechanics outlined in the Commission's rule on how to file a request falls far short of providing justification for the QIP rider.

City/AG notes that IAWC asserts that the requested riders will operate in exactly the same manner as the current QIP riders and that the information it provided in this case "mirrors" what it provided in a prior case. The Company also argues that the Staff "conducted a thorough review of the Company's request," although other than some technical corrections, the Company was unable to cite or discuss what Staff considered as part of its "thorough review." City/AG opines that the Commission should reject IAWC's attempt to clothe its request with Staff approval, while ignoring the substance of its request. City/AG further aver that Staff witness Smith's testimony does not address the substance of IAWC's request, but simply relates that the rule requires that testimony and exhibits be filed to justify a QIP surcharge rider request, and this lack of analysis or discussion provides no support for the Company's rider request.

City/AG submits that only Mr. Rubin addressed the justification for a QIP rider, which is what the testimony and exhibits are supposed to address. His testimony

properly emphasized the uneven incentives created by the Company's request and the danger of inefficient allocation of resources when a Company can increase its rates for infrastructure investment but not for infrastructure maintenance. City/AG avers that IAWC has not justified the imposition of a QIP surcharge on customers in the Champaign, Lincoln, Pekin, Sterling, South Beloit, and Chicago Metro Water and Waste Water Districts by the mere filing of testimony and exhibits with its request. City/AG argues that IAWC must affirmatively justify a QIP surcharge, and the Commission cannot be expected to approve a rider in light of the Company's failure to present that justification in its briefs.

City/AG notes that that IAWC currently has a rate case pending before the Commission in Docket No. 09-0319, and that rate case uses a future test year ending December 31, 2010, the same as the QIP rider, which City/AG believes is contrary to the statutory prohibition that investments in qualifying infrastructure plant cannot be "in the rate base used to establish the utility's base rates." City/AG argues that the better policy to avoid confusion on this matter would be to mandate that no QIP surcharge can take effect until January 1, 2011.

City/AG submits that the evidence submitted by IAWC shows that the QIP surcharge rider should be rejected because the costs IAWC seeks to recover do not justify rider treatment. Because IAWC has control over both the timing and the size of these costs, these costs should be subject to the same incentives applicable to other costs inherent in the regulatory bargain.

D. Commission Analysis and Conclusion

IAWC seeks approval of proposed QIP Surcharge Riders for its Champaign, Sterling, Pekin, Lincoln, South Beloit, and Chicago Metro Water and Waste Water Districts. The Riders would allow for the recovery of certain costs related to qualifying infrastructure plant, and are proposed pursuant to Section 9-220.2 of the Act and Part 656.

Section 9-220.2 of the Act provides in part that the Commission "may authorize a water or sewer utility to file a surcharge which adjusts rates and charges to provide for recovery of . . . (iv) costs associated with an investment in qualifying infrastructure plant, independent of any other matters related to the utility's revenue requirement." Section 9-220.2 of the Act also requires proceedings to reconcile the amounts collected with the actual costs prudently incurred for each year the surcharge is in effect.

The Commission notes that both IAWC and Staff are in agreement that, following some revisions suggested by Staff, the proposed QIP Surcharge Riders should be approved and placed into effect. City/AG takes the position that, among other things, the use of a rider in this case is improper; IAWC has failed to show the proposed riders are appropriate, and the proposed riders will allow double recovery of expenses and unnecessarily confuse customers.

The Commission is of the opinion that the majority of the arguments set forth by City/AG are more appropriate to a proceeding where a utility is attempting to institute a rider not created by statute, unlike the proposed QIP Rider. The Commission notes that the concept of a QIP Rider was codified by the Illinois General Assembly and made a part of the Public Utilities Act as Section 9-220.2. In furtherance of the adoption of this statute, the Commission adopted Part 656, setting forth the Commission's rules for the administration of the QIP Surcharge riders. The Commission believes that the City/AG arguments regarding Finkl go directly to this issue, as Finkl did not involve a statutorily authorized rider, such as we are presented with here.

City/AG also make various arguments about the fact that IAWC has not shown there is a need for these riders, or that IAWC's financial situation will be impaired if these riders are not approved. The Commission finds that in the matter of QIP riders, as presented here, there is no requirement on the part of the utility to show a financial need or impairment for the rider to be authorized. As to City/AG concerns regarding potential double-recovery of costs, the Commission is satisfied that the terms of the proposed QIP riders as well as the reconciliation process that has been in place since Part 656 was adopted are adequate to prevent such an occurrence. A review of the evidence shows that the concerns expressed by the City/AG are misplaced in this instance.

The Commission notes that the testimony of Mr. Kerckhove indicates that the existing QIP rider for the Streator and Pontiac water districts is being amended to include the Champaign and Sterling water districts. Similarly, the existing QIP rider for the Alton, Cairo, Interurban and Peoria water districts is being amended to include the Pekin and Lincoln water districts. It is the Commission’s view that it is clear that the QIP surcharge riders for these districts have been previously examined and found to be appropriate. While the proposed QIP riders for the Chicago Metro Water District, the South Beloit District, and the Chicago Metro Waste Water District appear to be new QIP riders according to Mr. Kerckhove, the testimony further shows that these riders are substantively similar to the riders existing for other districts. As such, the Commission is satisfied that the proposed riders are in conformance with Section 9-220.2 and Part 656 and as such, should be approved.

The Commission therefore finds that the proposal of the Company to implement QIP Surcharge Riders for its Champaign, Sterling, Pekin, Lincoln, South Beloit, and Chicago Metro Water and Waste Water Districts, as revised, meets the requirements of Section 9-220.2 of the Act and Part 656 of the Commission’s rules applicable to the implementation of QIP surcharge tariffs. The tariffs to be filed in accordance with this Order shall incorporate the proposed changes suggested by Staff, and agreed to by IAWC.

IV. APPROPRIATE START DATE OF TARIFF

The City/AG has suggested that should the Commission choose to approve the requested QIP Surcharge Rider, the start date for the rider should not be until January

1, 2011. In light of that request, the Administrative Law Judge at the evidentiary hearing specifically requested the parties address the particular issue of what the Commission's options are for the start date of the riders.

A. IAWC

It is IAWC's position that, in accordance with the requirements of Section 9-201 of the Act, the Commission ordered effective date of the QIP Surcharge Rider must fall within the resuspension period (i.e., be before March 20, 2010). IAWC argues that the Commission has no power to suspend the effective date of a schedule filed by a utility under the Act, beyond the suspension period, and when the suspension period expires without a finding that the rates of the proposed schedule were unjust and unreasonable, then the schedule, by operation of law, becomes effective; (citing Streator Aqueduct Co. v. Smith, 295 F. 385, 387-88, S.D. Ill. (1923) and Illinois Bell Tel. Co. v. Commerce Commission, 304 Ill. 357 (1922).)

B. Staff

The ALJ requested that the effective date of IAWC's proposed QIP Surcharge be addressed. Staff notes that the Order in Docket No. 04-0336 contains the following Ordering Paragraphs:

> Within 30 business days from the date of this Order and no later than the 20th day of the month preceding the effective date, the Company should file, as a compliance filing, tariffs substantially in the form of the QIP Surcharge Riders marked as IAWC Exhibits 1.1 and 1.2, as modified by Findings 4 and 5 above; such tariffs to be marked with an effective date of January 1, 2005, or the first day of any subsequent month.
>
> The Company should file the QIP Surcharge Percentage on an Information Sheet with supporting data no later than the 20th day of the month preceding the effective date of the QIP Surcharge Percentage.

Staff witness Smith recommended the Commission order IAWC to file the QIP Surcharge Rider tariff sheets, within five (5) days of the final order in this proceeding, with an effective date of not less than five (5) working days after the date of filing, with individual tariff sheets to be revised within that period. Staff argues that no substantial deficiencies in the proposed tariffs have been identified. Staff knows of no reason to delay the effective date of the tariffs. Staff also recommends that after the QIP Surcharge Rider is in effect, the Commission order the Company to file the QIP surcharge percentage on an information sheet with supporting data not later than the 20th day of the month preceding the effective date of the QIP surcharge percentage, with an effective date of the first day of the following month.

C. City/AG

City/AG opines that the QIP surcharge, if it is approved, should not be implemented until January 1, 2011, in order to avoid undue consumer confusion, noting that the QIP surcharge might be in effect for only four months until the QIP surcharge is reduced to zero as a result of the pending rate order in Docket No. 09-0319. On January 1, 2011, the City/AG says, the QIP surcharge would reappear on customers' bills. City/AG believes the Commission should not allow a rate to take effect for four months in light of the customer confusion that will result. If, contrary to the arguments contained herein, the Commission approves a QIP surcharge, customer confusion can be avoided by simply providing that the surcharge will not go into effect until the end of the future test year for its general rate case; namely, January 1, 2011.

City/AG avers that the Commission's authority in reviewing a tariff filing includes the authority to set an effective date different from that requested by a company. City/AG do not disagree with IAWC that the Commission must act on its review of a tariff filing within the statutory period of eleven months under Section 9-201 of the Act. However, City/AG believes the obligation to act does not mean that the Commission must accept as the "effective date" of a tariff the date requested by the utility or the last day of the suspension period if that date would render the tariff unjust and unreasonable.

City/AG opines that if a tariff will result in a violation of the statute or double-counting, or is unreasonable because it would charge customers for plant that is already part of a pending rate case, that tariff as written is clearly unjust and unreasonable and can be rejected, while if the only problem with the tariff is that its effective date would allow double-counting, the Commission can rewrite the tariff to impose an effective date that is not unjust and unreasonable.

City/AG notes that IAWC cites two cases from 1922 and 1923 for the proposition that the Commission has no power to suspend the effective date of a schedule filed by a utility beyond the suspension period. City/AG argues that these cases stand for the limited principle that the Commission cannot simply ignore the statutory suspension period but must act within the time period established by statute. City/AG cite a later case, Central Illinois Public Service v. Illinois Commerce Comm'n., 5 Ill.2d 195 (1955) ("CIPS"), wherein the Court found that the Commission could simply reject a tariff that was not supported by evidence, rejecting the argument that the Illinois Bell case cited by IAWC required the Commission to put a rate in place by the end of the suspension period. City/AG argues that "CIPS" finds that if the suspension period has expired before a final decision has been made, this merely allows the utility to begin collecting charges under the new rate, but does not terminate the Commission's inquiry, and the new rates remain subject to permanent cancellation by the Commission's final order.

In the CIPS case, the utility had declined to provide cost information to support its tariff, and the Commission cancelled the tariff. The Court affirmed the Commission's

action, holding that the Commission could simply reject a tariff if the evidence did not show it to be just and reasonable.

City/AG notes that while no case specifically addresses whether the Commission can change the effective date of a tariff, City/AG argues that the Commission's power to rewrite tariffs is broad, and there is no reason that changing the effective date to assure a tariff's operation is just and reasonable is any different from changing a tariff to set a different charge to consumers. City/AG opines that Staff's argument that the reconciliation process would address any double-counting issues misses the point, as it does not address whether the effective date of the tariff can be changed to eliminate double-counting.

City/AG therefore suggests that should the Commission approve the QIP surcharge, the surcharge should not take effect until January 1, 2011. Under Section 9-201, the Commission is authorized to "alter or modify" rate filings by utilities and to establish rates or other charges that "it shall find to be just and reasonable." Under Section 9-201(c) the Commission's authority to revise tariff terms is broad, and mandating an effective date starting January 1, 2011 to avoid double counting is within the Commission's power to "establish the rates or other charges, classifications, contracts, practices, rules or regulations."

D. Commission Analysis and Conclusion

The Commission notes that from the arguments presented to the question raised, this may be an issue of first impression for the Commission. City/AG argues that should the proposed QIP riders be approved, their implementation should be delayed until January 1, 2011 to avoid certain perceived problems. IAWC is only able to point the Commission to two court cases from the 1920's for the proposition that if the Commission does not find the rates of the proposed schedule unjust and unreasonable, then the Commission has no authority beyond the statutory deadline. Staff merely states that it is aware of no reason to delay the implementation of the proposed riders, and suggests standard implementation language. City/AG argues that the Commission has wide discretion on implementation where the Commission finds that otherwise the rate would be unjust and unreasonable, and therefore suggests an implementation on January 1, 2011. The Commission notes that City/AG appears to be correct in noting that should the Commission be unable to reach a decision before a statutory deadline, the proposed rates will go into effect, subject to a final Commission decision after the deadline.

As the Commission is entering a final Order prior to the March 20, 2010 deadline, it does not appear that this is the situation presented. It is an interesting question as to whether the Commission could find that; absent an extended implementation date that the proposed rates were unjust and unreasonable, if the Commission could enter a later start date; however that is not the situation here. The Commission finds that the proposed rates are just and reasonable, and therefore there is no reason to extend the implementation date. The Commission also considers that should the Commission

have the power to set an effective date for tariffs far beyond the end of the suspension period, the question would become what are the limits of the Commission's powers in this regard, beyond just what the Commission finds "just and reasonable". In this instance, the Commission does not find it necessary or reasonable to delay the effective date of the QIP riders beyond what is usual and customary.

Within five business days from the date of this Order, and no later than the 20th day of the month preceding the effective date, the Company should file the Rider tariffs as a compliance filing, with an effective date of the first day of the following month. The Company should file the QIP Surcharge percentage on an Information Sheet no later than the 20th day of the month preceding the effective date of the QIP Surcharge Percentage.

VI. HISTORICAL VS. TEST YEAR OPERATION

At the evidentiary hearing, the Administrative Law Judge requested the parties to address whether there is an issue in the instant proceeding similar to that presented in Docket No. 04-0336 regarding an agreement in that docket between IAWC and Staff to clarify the operation of the surcharge will only be used if the Company's immediately proceeding rate case used a future test year and an historical operation only be used if an historical test year was used in the immediately preceding rate case.

Both IAWC and Staff agree that the proposal in the instant proceeding utilizes prospective surcharge operation assumptions, is consistent with the prior clarification, and thus is not an issue. The Commission is satisfied that this is not an issue in this proceeding.

VII. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record, is of the opinion and finds that:

(1) Illinois-American Water Company provides water service and waste water service to the public in certain areas in the State of Illinois, and is a public utility within the meaning of the Act;

(2) the Commission has jurisdiction over the Company and the subject matter of this proceeding;

(3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;

(4) the proposal of the Company to implement QIP Surcharge Riders for its Champaign, Sterling, Pekin, Lincoln, South Beloit, and Chicago Metro Water and Waste Water Districts as revised in accordance with the conditions and determinations set forth herein, should be approved;

(5) the Commission finds the suggestions by Staff for modification of the proposed riders to be reasonable and, as agreed to by Illinois-American Water Company, they are adopted and to be incorporated into the compliance tariffs;

(6) within 5 business days from the date of this Order, and no later than the 20th day of the month preceding the effective date, the Company should file, as a compliance filing, tariffs substantially in the form of the QIP Surcharge Riders marked as IAWC Exhibits 1.1 to 1.5, incorporating Finding (5); such tariffs should be marked with an effective date of March 1, 2010, or the first day of any subsequent month;

(7) the Company should file the QIP Surcharge Percentage on an Information Sheet with supporting data no later than the 20th day of the month preceding the effective date of the QIP Surcharge Percentage; and

(8) the relief granted in this Order creates no presumptions with respect to whether the specific projects or types of projects described in the Company's filing in this proceeding meet the criteria for qualifying infrastructure plant set forth in Section 9-220.2 of the Act and Part 656 of the Commission's rules.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that Illinois-American Water Company is hereby granted permission to implement a qualifying infrastructure plant surcharge rider ("QIP") in its Champaign, Sterling, Pekin, Lincoln, South Beloit and Chicago Metro Water and Waste Water Districts.

IT IS FURTHER ORDERED that within 5 business days from the date of this Order and no later than the 20th day of the month preceding the effective date, the Company should file, as a compliance filing, tariffs substantially in the form of the QIP Surcharge Riders marked as IAWC Exhibits 1.1 to 1.5, incorporating Finding (5) above; such tariffs to be marked with an effective date of March 1, 2010, or the first day of any subsequent month.

IT IS FURTHER ORDERED that after the QIP Surcharge Rider is in effect, the Commission order the Company to file the QIP surcharge percentage on an information sheet with supporting data not later than the 20th day of the month preceding the effective date of the QIP surcharge percentage, with an effective date of the first day of the following month.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 16th day of March, 2010.

(SIGNED) MANUEL FLORES

Acting Chairman

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA-AMERICAN WATER COMPANY, INC. FOR APPROVAL OF (A) A NEW DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") PURSUANT TO IND. CODE CHAP. 8-1-31; (B) A NEW RATE SCHEDULE REFLECTING THE DSIC; AND (C) INCLUSION OF THE COST OF ELIGIBLE DISTRIBUTION SYSTEM IMPROVEMENTS IN ITS DSIC	) CAUSE NO. 42351 DSIC 8	
	) APPROVED:	DEC 18 2013

ORDER OF THE COMMISSION

Presiding Officers:
Larry S. Landis, Commissioner
Aaron A. Schmoll, Senior Administrative Law Judge

On October 1, 2013, Indiana-American Water Company, Inc. ("Indiana-American" or "Petitioner") filed with the Commission its Petition and Submission of Case-in-Chief for approval of a new distribution system improvement charge ("DSIC") pursuant to Indiana Code ch. 8-1-31 and 170 I.A.C. 6-1.1. On October 2, 2013, Petitioner filed revisions to its case-in-chief to correct for an error in the calculation of the "Total Revenue to Use for Rate Calculation." On October 23, 2013, Petitioner filed a second revision to correct for an error in the calculation of depreciation expense. On October 17, 2013, the City of Crown Point, Indiana ("Crown Point") filed its Petition to Intervene in this Cause, which was granted by the Commission's Docket Entry dated November 6, 2013. The Indiana Office of Utility Consumer Counselor ("OUCC") and Crown Point filed their respective cases-in-chief on October 31, 2013. Petitioner filed its rebuttal testimony and exhibits on November 7, 2013. On November 12, 2013, Sullivan-Vigo Rural Water Corp. filed its Petition to Intervene in this Cause, which was granted at the evidentiary hearing without objection.

Pursuant to notice given as provided by law, proof of which was incorporated into the record by reference and placed in the official files of the Commission, a public evidentiary hearing was convened in this Cause on November 19, 2013 at 9:30 a.m. EST in Room 222 of the PNC Center, Indianapolis, Indiana. At the hearing, the prefiled evidence of Petitioner, Crown Point and the OUCC was offered and admitted into the record. No members of the general public appeared or participated at the evidentiary hearing.

Having considered the evidence and being duly advised, the Commission now finds:

1. **Notice and Jurisdiction.** Due, legal and timely notice of the public hearing in this Cause was given and published as required by law. Petitioner also provided notice of its filing in this Cause to its wholesale customers pursuant to 170 IAC 6-1.1-4. Petitioner is a "public utility" within the meaning of that term in Ind. Code § 8-1-2-1 and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana. Pursuant to Ind. Code ch. 8-1-31, the Commission has authority to review a utility's DSIC request. Accordingly, the Commission has jurisdiction over Petitioner and the subject matter of this

proceeding.

2. **Petitioner's Characteristics.** Petitioner is an Indiana corporation engaged in the business of rendering water utility service to customers in numerous municipalities and counties throughout the State of Indiana for residential, commercial, industrial, public authority, sale for resale and public and private fire protection purposes. Petitioner also provides sewer utility service in Wabash and Delaware Counties.

3. **Relief Requested.** Petitioner seeks approval of a DSIC pursuant to Indiana Code ch. 8-1-31, a new rate schedule reflecting the DSIC, and approval of the costs of the eligible Distribution System Improvements ("Improvements") in Petitioner's DSIC. Petitioner's most recent rate order was approved in Cause No. 44022 on June 6, 2012 (the "2012 Rate Order"). Petitioner's most recent DSIC was approved in Cause No. 42351 DSIC 7 on December 27, 2012 (the "DSIC 7 Order"), approving a DSIC for water customers of 2.12% on a calculation of bills basis, calculated to produce a $3,666,274 net revenue increase after adjusting for over-collection through the surcharge approved in Cause No. 42351 DSIC 6 of $372,094. In accordance with the Commission's rules, a reconciliation of the DSIC 7 rates will not be due for filing until the 30 days beginning December 27, 2013.

The rate base cutoff in Cause No. 44022 consisted of property in service as of June 30, 2011. The DSIC Improvements approved in DSIC 7 consisted of non-revenue producing projects placed in service between July 1, 2011 and August 31, 2012 and not included in Petitioner's rate base in the 2012 Rate Order. Therefore, Petitioner proposes to add to the DSIC approved in DSIC 7 the non-revenue producing projects placed in service between September 1, 2012 and August 31, 2013 that were not included in rate base in the 2012 Rate Order and were not included in the DSIC Improvements approved in DSIC 7. In addition, Petitioner proposes to include certain meter assets placed in service between July 1, 2011 and August 31, 2013 replacing meter assets that had malfunctioned or that would have been 10 years of age or older as of August 31, 2013 that were not approved in DSIC 7. Petitioner's proposed DSIC would produce total annual DSIC revenues of $4,409,013, a percentage rate of 2.55% which, when combined with the 2.12% rate directed in the DSIC 7 Order would equate to an increase of approximately 4.67% above the base revenue level approved in Petitioner's 2012 Rate Order.

4. **Petitioner's Direct Evidence.** Petitioner presented the direct evidence of Gregory P. Roach, Manager of Rates for Indiana American, and Stacy S. Hoffman, Director of Engineering for Indiana American.

A. **Calculation of DSIC 8.** Mr. Roach testified regarding the filing requirements and methodology for calculating the DSIC. Mr. Roach provided evidence concerning the calculation of the proposed DSIC and sponsored Petitioner's proposed rate schedules reflecting the DSIC in the same format as the existing tariff on file with the Commission. He explained that Petitioner is proposing to treat the DSIC as per the Commission's April 2, 2008 Order in Cause No. 42351 DSIC 4, in that the rate would be a percentage that would be applied to both the consumer's volumetric and metered service charge revenues. He further explained that, as per the Commission's April 30, 2010 Order in Cause No. 43680, Petitioner calculated the DSIC as a single percentage of bills that will be the same for all rate groups.

Mr. Roach testified that Petitioner proposes to include only non-revenue producing projects

placed in service between September 1, 2012 and August 31, 2013 that were not included in rate base in the 2012 Rate Order and were not included in the DSIC Improvements approved in DSIC 7. In addition, Petitioner proposes to include certain meter assets placed in service between July 1, 2011 and August 31, 2013 replacing meter assets that had malfunctioned or that would have been 10 years of age or older as of August 31, 2013, which were also not included in the DSIC Improvements approved in DSIC 7. He added that all DSIC projects included in Petitioner's request are new used and useful water utility plant projects that: (1) do not increase revenues by connecting the distribution system to new customers; (2) are in service; and (3) were not included in Petitioner's rate base in the 2012 Rate Order or in the DSIC Improvements approved in DSIC 7.

Mr. Roach then discussed how Petitioner calculated the Net Investor Supplied DSIC Additions. He stated that Petitioner started with DSIC Improvements of $33,766,728 to which he added the actual amount of the cost of removal, net of salvage of $4,071,093. Mr. Roach stated that there were total reimbursements from the Indiana Department of Transportation ("INDOT") and others of $809,187. These reimbursements were removed from the DSIC Improvements, resulting in Net Investor Supplied DSIC Additions of $37,028,634.

Mr. Roach explained that for purposes of computing the incremental depreciation expense associated with the eligible distribution system improvements, he calculated the Net Investor Supplied DSIC Improvements by removing retirements at gross original cost. For purposes of calculating the incremental pre-tax return associated with the eligible distribution system improvements, Mr. Roach explained that retirements were treated differently in that retirements were not removed at their original cost. Mr. Roach testified that this accounting treatment for retirements represented a change from Petitioner's prior DSIC proposals. He explained that the Commission had issued an Order in Cause No. 44182, Indiana Michigan Power Company's proposed Life Cycle Management Project ("LCM") for the Cook Nuclear Plant (the "I&M Order"), which is consistent with the treatment proposed by Petitioner in this case, holding that only depreciation expense and not return should be adjusted by the accounting entries to remove the original cost of retired assets from utility plant. Mr. Roach testified that there is no provision in the DSIC statute for offsetting against eligible distribution system improvements the original cost of associated retirements. Historically, Petitioner has offset retirements for purposes of the calculation of Net Investor Supplied DSIC Additions on the theory that retirements are associated with the DSIC Additions. In light of the I&M Order, however, and consistent with the respective impact that retirements have on incremental depreciation expense and incremental return, Petitioner has proposed the same treatment approved in the I&M Order.

Mr. Roach testified that if there is to be an offset for retirements for purposes of calculating "pre-tax return" as that term is defined in the statute, it should be the rate base impact from the retirement transactions. He described the three essential transactions in retirement accounting: one to record the retirement of the plant from Utility Plant in Service and Accumulated Depreciation, one to record the cost of physically removing the plant, and one to record any salvage value derived from the retired plant. He explained that only the second and third transactions produce an incremental rate base impact and it would therefore be inappropriate to reduce the additions subject to DSIC by the original cost of the assets retired and artificially reduce the amount of eligible investment subject to a pre-tax return. He stated the net costs of removal are the only rate base impact from the retirement of the asset that is being replaced with the DSIC Improvements.

Mr. Roach also sponsored Petitioner's Exhibit GPR-3, Petitioner's rate of return summary.

Mr. Roach explained that the rate of return used in this proceeding is Petitioner's weighted average cost of capital computed from Petitioner's capital structure as approved by the Commission in the 2012 Rate Order. He testified that Petitioner used the embedded debt cost rate as of June 2011 to determine the long-term debt cost rate. The common equity cost rate of 9.70% was determined in the 2012 Rate Order, and the weighted cost of capital of 6.95% and a pre-tax rate of return of 9.75% were derived as shown on Petitioner's Exhibit GPR-3. Mr. Roach stated the pre-tax rate of return was calculated using a gross revenue conversion factor of 1.6841, calculated using Utilities Receipts Tax of 1.4%, State Corporate Adjusted Gross Income Tax of 7.25% and Federal Income Tax of 35%. He explained that the State Income Tax was calculated using an average of the effective tax rate for the period July 1, 2013 to June 30, 2014 by averaging the rates of 7.5% (2013) with the rate of 7.0% (2014). Mr. Roach stated that the resulting pre-tax return is $3,610,290 when the pre-tax overall rate of return is multiplied by the net investor-supplied original cost of the Improvements.

Mr. Roach stated that Petitioner determined its depreciation expense of $798,723 by using the annual depreciation rates by primary plant account previously approved by the Commission, multiplied by the Improvements, net of related retirements.

Mr. Roach testified and provided exhibits showing that the proposed DSIC Revenues, when combined with the DSIC Revenues from DSIC 7 are within the 5% range of Petitioner's base revenues as approved by the Commission in the 2012 Rate Order.

B. Description of DSIC Improvements. Petitioner's witness Stacy S. Hoffman sponsored Petitioner's Exhibit SSH-1, which provides a brief description of each Improvement project, the costs of each project, the date each project was placed in service, the account number assigned to each project based on accounting standards found in the National Association of Regulatory Utility Commissioners ("NARUC") Uniform System of Accounts for Class A Water Utilities ("USoA"), and Petitioner's Operation area where each project exists.

Mr. Hoffman provided greater detail regarding the Improvements exceeding $100,000 in total costs. For each of these Improvements, he explained why the improvement was needed, the resulting benefits to Petitioner and its customers and whether the plant had been retired. This is consistent with Petitioner's presentation in its past DSIC cases. At the hearing, Mr. Hoffman committed to add, in future DSIC cases, the total cost and new pipe diameters per project in his detailed description of Improvements exceeding $100,000. Some of the projects described by Mr. Hoffman were replacing distribution system facilities that were in poor condition, and some of which still had book value for accounting purposes. Other projects included distribution system facilities replaced because they were located in right-of-way and had to be moved because of road or other projects. Because these were in the right-of-way, they had to be removed at Petitioner's cost and as such, had no remaining life. As such, all of the projects had reached the end of their useful life from a service standpoint, even though they may have continued to have remaining book value for accounting purposes. Mr. Hoffman stated that Petitioner has invoices and other cost support for all projects listed in Petitioner's Exhibit SSH-1.

Mr. Hoffman generally described the Improvements as either replacement or reinforcement infrastructure. He explained that replacement infrastructure includes water mains, tanks, tank coating systems, valves, hydrants, service lines and meters, while reinforcement infrastructure consists of mains, valves and hydrants with the purpose of improving pressure and flow of the existing distribution system. At the hearing, Mr. Hoffman testified that reinforcement infrastructure

has been included in several prior DSICs. He testified regarding two reinforcement mains included in DSIC 7, each of which have been connected to four additional residential customers since the DSIC 7 Order was issued. He stated that the annual revenue for water service for four residential customers would be approximately $1,900, or $3,800 for all eight additional connections.

Mr. Hoffman testified about the inclusion of tank-related projects in Petitioner's proposed DSIC, referring to the DSIC 7 Order in which the Commission authorized DSIC recovery on tank-related projects consisting of foundation rehabilitations, a paint rehabilitation, a tank roof replacement and some distribution pump work to enable Indiana American to take the tanks offline. He testified that the tank-related projects included in this DSIC 8 are similar to those included in DSIC 7 insofar as they consist of capital rehabilitation work on existing tanks and not construction of new tanks. He noted the projects are recorded in USoA distribution accounts, do not increase water storage capacity, and otherwise meet the statutory criteria to qualify as eligible distribution system improvements.

Mr. Hoffman testified that not all of the retirements associated with the new infrastructure have been completed because transfer of service lines from existing water mains to replacement mains was still in progress for some projects. He stated that retirements that were not physically completed as of the date of Petitioner's filing have been completed in the Petitioner's accounting for those retirements because Petitioner knows accurate asset type and quantities, and vintage of assets being retired.

In addition to the change in presentation of retirements in this DSIC 8, Mr. Hoffman described a change in Petitioner's accounting process for cost of removals for blanket mass assets, which are short-term projects typically taking only one day to complete, including replacement of meters, service lines, hydrants and valves. Mr. Hoffman explained that Petitioner had implemented a new process for monthly accounting for cost of removals ("CORs") with the implementation of its new SAP system. He stated the new COR accounting process for blanket mass asset projects accounts for CORs monthly using a multi-year historical percentage split of costs between additions and CORs for this type of work. With respect to non-blanket mass asset projects (including main replacements, main relocations, system main reinforcements, and tank painting system replacements), Petitioner's new COR accounting process accounts for CORs monthly using the specific project bid costs for CORs as a percentage of additions. At project completions, the total of the monthly CORs are reconciled to actual CORs. He explained that any variations between actual COR values and the sum of monthly accounted COR values are trued-up in the Petitioner's accounting software at the final completion of the projects, and proposed that any true-ups be reflected in the Petitioner's next rate filings. Mr. Hoffman stated these process changes were implemented to result in a more accurate, consistent and efficient process for accounting for CORs.

Mr. Hoffman then described two categories of meter replacements included in this DSIC 8: meters replaced as part of the Company's length of service ("LOS") plan, and meters replaced under the Company's accelerated automated meter reading ("AAMR") plan that were or would have been 10 years old or older as of August 31, 2013. He described the LOS plan, which consists of replacing meters at the LOS age approved by the Commission in Petitioner's 30-Day Filing No. 2610 approved on January 20, 2010 and of replacing stuck and broken meters regardless of age. He then described the AAMR category of meters, citing the DSIC 7 Order as support for inclusion of meters that were or would have been 10 years old or older as of August 31, 2013. Petitioner's Exhibit SSH-4 shows that approximately $3.3 million of the Improvements related to meters are in

the AAMR category. The balance of meter-related Improvements shown on Petitioner's Exhibit GPR-2, Schedule 3, Page 1 of 7 are in the LOS plan category and amount to approximately $6.6 million. Mr. Hoffman explained that meter replacements included in this DSIC either (a) under the LOS plan or (b) under the AAMR plan meeting the criteria of being 10 years old or older, date back to July 2011 because these meters were not included in the approved revenue from DSIC 7.

Mr. Hoffman testified that all Improvements listed in Petitioner's Exhibit SSH-1 meet the DSIC statutory requirements. Mr. Hoffman explained that as Director of Engineering he has familiarity with these projects through regular communication with Indiana American Engineering staff during the planning, design and construction phases of these projects. Indiana American project managers also confirm projects are in service through a physical inspection and then enter in-service dates for completed projects in the Indiana American accounting software system.

Mr. Hoffman testified regarding the funding of the Improvements. He stated that projects included in this DSIC 8 were funded by Petitioner or were reimbursed by INDOT or others, as noted by Mr. Roach.

Mr. Hoffman stated Petitioner has a five-year Strategic Capital Expenditure Plan that provides for budgeted amounts of approximately $170,900,000 for replacement mains, reinforcement mains, DSIC tank related work, hydrants, services and meters for the period 2014-2018. He testified that included in this amount is approximately $29,300,000 budgeted over the same period for water main replacements required by state and local governments as a result of road improvements and other projects.

5. **OUCC's Case-in-Chief.** The OUCC presented testimony of Harold H. Riceman and Margaret A. Stull. Mr. Riceman described his review of Indiana American's petition for a DSIC. He explained Petitioner presented approximately 1,000 work orders, including many blanket orders, totaling $33,766,728, retirements totaling $5,609,657 and costs for removal and salvage totaling $4,071,093. The brief time permitted in this proceeding and the number of improvements requires the use of auditing procedures to only a representative sample of the improvements to project or extrapolate the sample results and make inferences about the entire population. Consistent with past practice in DSIC cases, Mr. Riceman selected a representative sample of work orders to review from Petitioners Exhibit SSH-1. Mr. Riceman concluded that, based on Ms. Stull's testimony, the OUCC recommends an additional DSIC of 2.23% for a total DSIC of 4.35% compared to Petitioner's additional DSIC of 2.55% for a total DSIC of 4.67%.

Ms. Stull testified in opposition to Petitioner's proposed accounting treatment for retirements. Ms. Stull noted that since the Commission's final order in DSIC 1, in which it determined how retirements should be treated, Petitioner has calculated the net original cost of eligible distribution system improvements by netting distribution plant additions against related distribution plant retirements. Ms. Stull noted the foregoing calculation included the following components:

DSIC Additions
Add: Removal Costs related to retired plant
Less: DSIC Retirements
Salvage Value
Contributions-in-aid of Construction (CIAC)

Ms. Stull noted that for the first time since Petitioner's DSIC 1 filing, Petitioner proposes to exclude retirements from its calculation of the net original cost of eligible distribution system improvements, thereby increasing the net original cost of eligible distribution system improvements. She argued that Petitioner's proposal to exclude retirements from its calculation of the net original cost of eligible distribution system improvements is inconsistent with the Commission's order in Cause No. 42351 DSIC 1 issued on February 27, 2003 ("DSIC 1 Order").

Ms. Stull indicated Petitioner has already made this argument and the Commission has already rejected it. Ms. Stull noted that in its case-in-chief in DSIC 1, Petitioner likewise did not include retirements in its calculation of net original cost of distribution system improvements. She explained that the OUCC responded in that case by reducing what it considered to be the eligible distribution system improvements by the original cost of the related retirements. Ms. Stull noted that in that first DSIC, Indiana-American responded to the OUCC by arguing, "under mass asset accounting rules, retirements are treated as fully depreciated with the original cost being deducted from both utility plant and accumulated depreciation." Ms. Stull added Indiana-American's witness in DSIC 1 argued that since such a retirement results in no change to the net book value of the Company's assets, "it is inappropriate to reduce the additions subject to DSIC by the original cost of the assets retired and artificially reduce the amount of eligible investment subject to a pre-tax return." *Indiana American*, Cause No. 42351 DSIC 1 at 12 (Feb. 27, 2003). Ms. Stull advised that the Commission rejected this argument and found that in determining net eligible distribution system improvements, retirements should be included in the calculation. Ms. Stull noted that the Commission explained in its DSIC 1 Order that while retiring an asset has no impact on the utility's net book value under mass accounting rules, this factor is irrelevant since such a factor would only apply in original cost ratemaking, and Petitioner's rate base is based on the fair value of its assets. Ms. Stull also recited that part of the DSIC 1 Order, which noted that when any asset with a positive fair value is retired that will reduce the utility's fair value rate base, and "thus, if retirements are ignored and a utility is allowed to earn a return on new plant through a DSIC, they will collect a return on both the new plant through its DSIC and on the retired asset through its return on the fair value rate base determination from the utility's last rate case."

Ms. Stull advised that the Commission further noted in that Cause:

> Mass accounting rules do not apply to the Commission's determination of a utility's fair value and any retirement of plant will impact the fair value rate base. . . . While aged plant that is retired may have a negligible original cost, the fair value of such retired assets may not be negligible and not so easily determined.

Ms. Stull rejected Petitioner's assertion that there is no provision in the DSIC statute for offsetting retirements against eligible distribution system improvements since the DSIC statute states that one component of the DSIC rate is the return on the "net original cost of eligible distribution system improvements." Ms. Stull acknowledged that the statute does not include a definition of the term "net original cost of eligible distribution system improvements," but noted that the Commission construed the term "net" to include both salvage value and retirements. Ms. Stull added that the Commission has the ability and expertise to interpret the statutes it is required to implement. Ms. Stull asserted that the Commission's determination in DSIC 1 properly construed the term "net original cost of eligible distribution system improvements" to authorize it to offset retirements against Indiana-American's eligible distribution system improvements.

Noting Petitioner's reliance on the Commission's final order in Cause No. 44182 for its proposed treatment of retirements, Ms. Stull referenced a more recent final order issued in Cause No. 42150 ECR 21, which reaffirmed the principle that in a tracker, a utility should not be permitted to earn a return on both the retired assets as well as the assets replacing them. Ms. Stull noted that the order indicated that ratepayers should not be required to pay for both additions "when only one is actually in service." *Northern Ind. Pub. Serv. Co.*, Cause No. 42350 ECR 21, at 14 (Oct. 16, 2013). Ms. Stull indicated this finding comports with the DSIC procedures established in the DSIC 1 Order and with the OUCC's position in this Cause. Ms. Stull concluded that based on the methodology used in all previous Indiana-American DSIC cases, the OUCC recommends an additional DSIC of 2.23% for a total DSIC of 4.35% (MAS-2).

6. **Crown Point's Case-in-Chief.** Gregory T. Guerrettaz, President of Financial Solutions Group, Inc., offered testimony on behalf of Crown Point. Mr. Guerrettaz recommended the exclusion from recovery in this DSIC 8 period the meters replaced under Petitioner's AAMR plan that were or would have been ten years old or older as of August 31, 2013 and were included in Petitioner's DSIC 7 filing but were not approved in that Order. He also recommended that Petitioner be required to continue to deduct retirements from additions in the DSIC process and observed that if such an accounting change is to be considered, it should be considered in a separate docket or as part of Petitioner's next base rate case, not in the compressed time frame of ongoing DSIC adjustments.

Mr. Guerrettaz disagreed with Petitioners' reliance on DSIC 7 to justify inclusion of the AMR expense in DSIC 8 denied in DSIC 7. He cited the DSIC 7 Order language that expressed concern that Petitioner failed to provide the AMR evidence the OUCC had requested:

> Further, recovery of the replacement cost of newer traditional meters with AMR meters does not fit within the context of the DSIC in that the Commission stated in DSIC 1 that the purpose of DSIC recovery is to replace aged infrastructure. We agree with Mr. Kaufman's assessment that the replacement of meters older than 10 years could be recoverable in a DSIC. However, despite having the opportunity to respond to Mr. Kaufman, Petitioner did not include in the record the necessary information for the Commission to determine what the DSIC factor would be if only 10 year and older meters were considered. While Petitioner's Exhibit SSH-R1 indicates the number of meters replaced older than 10 years, it is unclear whether that discovery response is solely for the DSIC 7 period. Further, we do not have the retirement costs of the 10-year and older meters that were replaced, nor do we have the cost of meters and associated installation costs related to the AMR meters used to replace 10-year or older meters.

Unlike Mr. Hoffman, Mr. Guerrettaz did not view the Commission statement that ten year and older meters "could be recoverable in a DSIC" as an agreement of recoverability or an invitation to, in a subsequent DSIC period, provide that missing information. He viewed it as a past invitation for Petitioner to seek leave to file additional evidence within DSIC 7. However, instead of following that route within the context of DSIC 7, Petitioner unsuccessfully appealed the Commission's DSIC order. Mr. Guerrettaz testified Petitioner should not be allowed to carry forward the AMR amounts rejected in DSIC 7.

Regarding Petitioner's proposed change in DSIC accounting to not reduce DSIC Additions by Retirements, Mr. Guerrettaz testified Petitioner has again exceeded the intent and tolerance of the water utility DSIC process by trying to modify its DSIC accounting treatment based on an I&M Order for nuclear electric generation plant life cycle management. Mr. Guerrettaz stated that this proposal to modify the DSIC accounting process mid stream is inappropriate for the 60-day DSIC process and it abruptly results in higher charges to water customers.

Mr. Guerrettaz disagreed with Mr. Hoffman's assertion that "[t]he Commission agreed with our proposed treatment and held that retirements are only appropriately removed for purposes of computing depreciation expense and not return." Mr. Guerrettaz pointed out that the I&M LCM Project was a standalone docketed case of substantial size and effort that took more than 15 months to complete. The accounting treatment for that nuclear plant was given as part of "financial incentives" within LCM for nuclear generation plant. To request that same accounting treatment for Petitioner's DSIC water plant is at best misplaced. He testified if the Company wants in DSIC the same accounting treatment as given as part of "financial incentives," it should make that proposal in a base rate case or some other case, not in the DSIC. He testified Petitioner should stop trying to expand the broadness of DSIC and instead keep it simple, straight-forward, and appreciate the benefits from being able to track in rates its aged plant replacements. Mr. Guerrettaz also noted that as recently as October 16, 2013, the Commission issued an Order in Cause No. 42150 ECR 21 for NIPSCO treating retirements as they have been in past DSICs stating, "We conclude that NIPSCO shall be allowed to seek recovery of its full depreciation expense (return of investment) for the replacement layer. However, NIPSCO shall only be allowed to seek recovery of the incremental amount of the return on its investment for the replacement catalyst laver that exceeds the return on investment currently included in its base rates and charges for the original catalyst layer."

7. **Petitioner's Rebuttal.**

A. **Retirements.** Mr. Roach offered testimony to respond to Ms. Stull's and Mr. Guerrettaz's suggestion that Petitioner's proposed accounting treatment for retirements be rejected. Mr. Roach explained that Petitioner's retirement accounting entries are made in accordance with NARUC 1996 USoA, accounting Instructions for Additions and Retirements. He walked through the journal entry for retirements, consisting of a debit to accumulated depreciation of the original cost of the retired unit and a credit to utility plant in service ("UPIS") of the original cost of the retired unit. He stated this has a net zero impact on the rate base calculation, while generally resulting in a reduction of depreciation expense. He testified that it would not be appropriate accounting practice, or fair to Petitioner, to reduce DSIC additions by the original cost of the replaced asset because that treatment disregards the fact that the accumulated depreciation reserve is charged with an equal amount, resulting in net zero rate base impact upon retirement. Mr. Roach further noted that Ms. Stull's proposed netting of UPIS for retirements assumes that Petitioner's rates reflect a return on the gross original cost of the replaced asset when in fact the return is calculated on the net original cost.

Mr. Roach explained it could be appropriate to offset the DSIC Improvements for depreciation expense that has accrued on the assets from their in-service date to the filing date, thus producing the "net original cost" of the DSIC Improvements. He acknowledged that Petitioner's filing did not include a deduction from the revenue requirements of accumulated depreciation recorded on DSIC additions from the in-service date through the DSIC recovery period of August 2013. He testified the total amount of accumulated depreciation for that purpose would be

$705,102. The resulting Net Investor Supplied DSIC Additions net of this amount would be $36,323,532, pre-tax return on additions of $3,541,544, Total DSIC Revenue for this DSIC 8 of $4,340,267 for a DSIC Percentage Applied to Bill of 2.51% and DSIC Percentage Increase of 2.19%. The resulting net reduction to the DSIC 8 revenue requirement would be $68,746.

Mr. Roach addressed Ms. Stull's reliance on the NIPSCO Order. He first reiterated that Petitioner's proposed treatment of retirements is completely consistent with the I&M Order, which he explained is consistent with the USoA. Mr. Roach noted that the NIPSCO Order was issued after Petitioner had filed its case-in-chief in this Cause and reaches a different result from the I&M Order. He pointed out that the NIPSCO Order indicates that the Commission intended to be consistent with the provisions of the I&M Order, but the actual result of the two orders is somewhat difficult to reconcile. Under the NIPSCO Order, he explained, the retirements are removed at net original cost in computing the incremental return that would be allowed, but are not removed for purposes of computing incremental depreciation expense. He also stated that the result reached in the NIPSCO Order is inconsistent with the treatment of retirements proposed by Ms. Stull. Ms. Stull proposed that retirements be removed for purposes of computing both return and depreciation expense. In addition, the NIPSCO Order does not require removal of the retirements at gross original cost as Ms. Stull proposes, but at net original cost. If the NIPSCO Order was followed, Mr. Roach explained, Petitioner would not make any reduction to the depreciation expense for retirements and would be required to estimate a theoretical reserve associated with the retired assets to net against UPIS in the return calculation. He explained that the offset to accumulated depreciation based on this theoretical reserve could, in some instances, exceed the original cost of the retired asset if its actual life exceeds its estimated useful life for depreciation purposes. He supplied the following information showing the estimated percentages of the DSIC 8 retirements falling into various age categories (stated in terms of amount of useful life remaining at retirement) to illustrate the impact it would have on Petitioner's DSIC calculation if the NIPSCO Order were followed:[1]

Indiana American Water Company
DSIC 8 Retirements
Remaining Estimated Useful Life % at Retirement

0.00% (reached or exceeded life)	**($1,179,703.17)**	21.03%
1.00% to 25.00% life remaining	**(763,306.61)**	13.61%
25.01% to 50.00% life remaining	**(2,095,277.24)**	37.35%
50.01% to 75.00% life remaining	**(603,215.66)**	10.75%
75.01% to 95.08% life remaining	**(968,154.34)**	17.26%
	($5,609,657.02)	100.00%

[1] Using this information, Mr. Roach testified that the offset for retirements would not be $5,609,657 as proposed by Ms. Stull but would be for a lower amount to reflect the accumulated depreciation that would have theoretically been recorded on these retired assets. Under the most conservative estimate (e.g., all of the amount which had reached or exceeded its useful life was precisely at 0% (i.e., the end of its useful life), all of the amount from 1% to 25% remaining was at 25% remaining, etc.), the most the offset for net original cost of the retired assets would be $2,659,031.

Mr. Roach also testified that Petitioner's proposed accounting treatment is an appropriate issue to be determined in a DSIC proceeding, because the proposal is simply to follow the USoA as required by the Commission's rules.

Mr. Roach also addressed Ms. Stull's contention that Petitioner's treatment of retirements should be impacted by the fact that Indiana is a fair value state and that Indiana American receives a fair return on fair value. He explained that since 1996, the only incremental return associated with the Commission's making a fair value determination and fair rate of return finding with respect to Indiana American has been to increase the return associated with the fair value increment to purchase the Indiana Cities system. The Commission has not authorized an additional return over net original cost ratemaking because a particular main, hydrant, valve, etc. has a fair value in excess of its net original cost. Instead, Mr. Roach explained, in all subsequent orders, the Commission's fair value finding has simply been an update of the prior fair value finding from that 1996 order and the treatment for fair value is solely to reflect a full return on the Indiana Cities acquisition.

In summary, Mr. Roach testified on rebuttal that the Commission needs to first decide whether to follow the I&M Order or the NIPSCO Order. If the I&M Order is followed, the accounting treatment prescribed by the NARUC USoA would apply. If the NIPSCO Order is followed, the result would be a much more limited reduction to the DSIC total investment than Ms. Stull proposes, because the retirements should be offset by associated accumulated depreciation using the percentages Mr. Roach supplied. Retirements would not be offset in computing the depreciation expense on the DSIC Improvements under the NIPSCO Order's approach.

B. **AAMR Meter Replacements.** Mr. Hoffman addressed Mr. Guerrettaz's testimony that meter replacements that were not approved in DSIC 7 should not be included in this DSIC. Mr. Hoffman disagreed with Mr. Guerrettaz's interpretation of the DSIC 7 Order. He clarified that all AAMR meters included in this DSIC 8 were installed in the time period from July 1, 2011 through August 31, 2013 and none of those meters have heretofore been included in rate base. He testified that Petitioner has now provided the information the Commission identified in its DSIC 7 Order as being necessary for approval in a DSIC. He explained that he is unaware of any principle in rate proceedings that would prohibit a Petitioner from requesting review of an issue discussed in a prior case, especially when supplemental information is being provided. He asserted that this principal of allowing fair review is all the more pertinent given the Commission had never previously discussed in detail DSIC eligibility parameters for AAMR meters.

Mr. Hoffman responded to Mr. Guerrettaz's suggestion that Petitioner should have included supplemental information in rebuttal in DSIC 7 or petitioned for leave to submit additional evidence in DSIC 7 after the Order was issued. He pointed out that the only party who has suffered detriment by not having done so is Petitioner, which has gone for an extra year without recovering costs of ten year old and older AAMR meters. He further pointed out that, by waiting to include the additional information in DSIC 8, the parties and the Commission have actually been provided more time to review the additional information in the full time allotted in this proceeding as compared with the abbreviated time that would have existed had Petitioner submitted the additional information on rebuttal in DSIC 7 or after the DSIC 7 Order was issued.

8. Commission Discussion and Findings.

A. **DSIC Requirements.** Indiana Code ch. 8-1-31 requires the Commission to

approve a DSIC in order to allow a water utility to adjust its basic rates and charges to recover a pre-tax return and depreciation expense on eligible distribution system improvements. Indiana Code § 8-1-31-5 defines eligible distribution system improvements as new used and useful water utility plant projects that:

(a) do not increase revenues by connecting the distribution system to new customers;
(b) are in service; and
(c) were not included in the public utility's rate base in its most recent general rate case.

Under Indiana Code § 8-1-31-6, the rate of return allowed on eligible distribution system improvements is equal to the public utility's weighted cost of capital. Unless the Commission finds that such determination is no longer representative of current conditions, Indiana Code § 8-1-31-12 provides that the cost of common equity to be used in determining the weighted cost of capital shall be the most recent determination by the Commission in a general rate proceeding of the public utility.

B. **Approval of Proposed DSIC.**

(1) **Retirements.** Petitioner proposed to treat retirements as an offset for purposes of calculating the incremental depreciation expense but not for purposes of calculating the incremental pre-tax return associated with the DSIC Improvements. This proposal differs from how the Commission stated, in DSIC 1, that DSIC retirements should be calculated, and Petitioner's proposal in this Cause was rejected by the OUCC and Crown Point.

In support of its position, Petitioner cited to our Order in Cause No. 44182, which stated:

> With regard to the OUCC's concern that there could be additional recovery on replaced equipment in base rates at the same time new equipment will be tracked through the LCM, we are not persuaded that this concern is justified. As Mr. Krawec explained, I&M's proposal mitigates this potential by virtue of the Company requesting recovery of incremental depreciation expense, incremental property tax increase, and carrying charges for post-in-service equipment. Further, we agree with Mr. Krawec that when the replaced item is retired, the remaining original cost is transferred to the accumulated depreciation reserve account. This causes depreciation expense to decrease, but there is no effect on net plant balances, and accordingly, no effect on rate base. And because rate base is unchanged by the retirement, it would not be appropriate to reduce the incremental carrying charge on the new asset as suggested by Mr. Blakely.

I&M, Cause No. 44182 (IURC July 17, 2013). Petitioner stated that its proposed treatment of the original cost retirements in this Cause is similar to the treatment approved for I&M.

Our Order in DSIC 1 directly addressed this issue, and we see no reason to adopt a new methodology in this Cause, especially given that Petitioner's current proposal is essentially the same as what this Commission rejected in DSIC 1. We note that our Order in Cause No. 44182

dealt with an entirely different statutory scheme to incent energy utilities to undertake "clean energy projects," and thus provides little guidance in this case.

Moreover, contrary to Mr. Roach's statement that there is no provision in the DSIC statute for offsetting the original cost of associated retirements against eligible distribution system improvements, Ind. Code § 8-1-31-11 requires the Commission to determine an "appropriate pretax return." "Appropriate pretax return" is defined as "the revenues necessary to [ ] produce net operating income equal to the public utility's weighted cost of capital multiplied by the net original cost of eligible distribution system improvements." While "net original cost" is not defined in statute, our treatment of retirements from DSIC 1 appropriately nets the original cost of the retired asset from the DSIC improvement. Otherwise, "if retirements are ignored and a utility is allowed to earn a return on new plant through a DSIC, they will collect a return on both the new plant through its DSIC and on the retired asset through its return on the fair value rate base determination from the utility's last rate case." DSIC 1 at 23. Any proposal to change existing DSIC accounting methodologies should be addressed in Petitioner's next rate case, not in the context of an expedited DSIC proceeding.

In conclusion, for purposes of determining the appropriate DSIC revenues in this Cause, we direct Petitioner to calculate retirements as set forth in OUCC Exhibit 2 by Ms. Stull.

(2) **AAMR Meter Replacements.** Crown Point's witness Guerrettaz recommended we disallow recovery for Petitioner's meter replacements that were included in Petitioner's filing in DSIC 7 but not approved in our DSIC 7 Order.

In that Order, the Commission stated:

> We agree with Mr. Kaufman's assessment that the replacement of meters older than 10 years could be recoverable in a DSIC. However, despite having the opportunity to respond to Mr. Kaufman, Petitioner did not include in the record the necessary information for the Commission to determine what the DSIC factor would be if only 10 year and older meters were considered. While Petitioner's Exhibit SSH-R1 indicates the number of meters replaced older than 10 years, it is unclear whether that discovery response is solely for the DSIC 7 period. Further, we do not have the retirement costs of the 10 year and older meters that were replaced, nor do we have the cost of meters and associated installation costs related to the AMR meters used to replace 10-year or older meters.

Given our statement in DSIC 7, we find that Petitioner has not waived the right to seek DSIC recovery in this Cause for meter replacements of older meters during the period July 1, 2011 through August 31, 2013. Petitioner's decision to appeal the Order in DSIC 7 versus seeking leave to supplement the record in DSIC 7 resulted in a substantial self-inflicted delay in recovering its AAMR investments. Nothing in the DSIC statute prevents a utility from seeking recovery of DSIC-eligible assets that were not previously included in a DSIC or a rate case. Accordingly, we include the AAMR meter replacements (meters ten years old and older) from DSIC recovery in this Cause.

While we grant relief as requested by Petitioner with respect to AAMR replacements, we believe that as an accelerated meter replacement plan, Petitioner would be better served by proposing a different mechanism for AMR recovery, outside of the DSIC process, in its next rate case. *See Indiana-American Water Co., Inc.*, Cause No. 44059 (IURC, Dec. 19, 2012) (approving

settlement agreement that provided for deferral accounting treatment for IT system replacement). Such a proposal could provide Petitioner the opportunity to recover costs for all AMR meter replacements, and allow the DSIC proceedings to continue to focus on replacement of aging infrastructure.

(3) **Projects and Amounts to be Included as Distribution System Improvement Charges.** The OUCC used the DSIC 1 methodology to calculate the DSIC revenue requirements of $3,862,073. The total cost for the net investor supplied DSIC Additions is $31,418,976, and the evidence shows the pre-tax return associated with those additions, as calculated in accordance with Indiana Code ch. 8-1-31 is $3,063,350. The revenue requirement for depreciation on the Improvements is $798,723. The total revenue requirement associated with the DSIC 8 Improvements is 2.23% of the revenues authorized in Petitioner's last rate case and thus is not subject to reduction under Indiana Code § 8-1-31-13.

Furthermore, the evidence shows that all of the projects reflected in the proposed DSIC are in service, do not result in the addition of new customers to Petitioner's system and fall into NARUC Uniform System of Accounts for Water Utilities Accounts 330, 331, 333, 334, or 335. As such, they are eligible for inclusion in a DSIC. Crown Point questioned whether Petitioner's reinforcement mains provide for customer growth. We find that while new customers may eventually connect to replacement or reinforcement mains once they have been installed, the possibility that such connections may occur in the future does not change the initial eligibility for DSIC inclusion.

Finally, at the hearing, Mr. Hoffman suggested that DSIC revenues in the next DSIC could be offset by the annual revenues added by the eight new customers. We appreciate Mr. Hoffman's proposal, but as previously noted, DSIC eligibility is not conditioned on whether future connections occur. We decline to make a finding in this Cause on what amount of new connections may suggest that a project was intended to connect new customers despite labeling to the contrary, and thus not eligible for DSIC treatment.

(4) **Filing Requirements.** In response to a request from Crown Point, Petitioner committed to add, in future DSIC cases, the total cost per project in his detailed description of Improvements exceeding $100,000. In response to a request from the OUCC, Petitioner also committed to add the new pipe diameters of replacements in its description of those projects. We find those changes to be appropriate and find that Petitioner's use of a materiality threshold in its presentation of the DSIC Improvements is appropriate.

C. **Reconciliation of Petitioner's DSIC.** Petitioner should be prepared to reconcile the DSIC approved by this Order in the manner prescribed by Indiana Code § 8-1-31-14 and 170 I.A.C. 6-1.1-8. Under Indiana Code § 8-1-31-14, at the end of each 12-month period a DSIC is in effect the difference between the revenues produced by the DSIC and the expenses and the pre-tax reflected in it should be reconciled and the difference refunded or recovered as the case may be through adjustment of the DSIC.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION, that:

1. A DSIC calculated on a percentage of bill basis and designed to generate $3,862,073 in additional annual revenues shall be and hereby is approved for Petitioner Indiana-American Water Company, Inc.

2. Prior to placing into effect the above-authorized DSIC, Petitioner shall file with the Water/Sewer Division of the Commission an appendix to its schedule of rates and charges for water service.

3. The above-authorized DSIC shall be subject to reconciliation as described in Paragraph 8(C) above.

4. This Order shall be effective on and after the date of its approval.

ATTERHOLT, LANDIS, MAYS, AND ZIEGNER CONCUR:

APPROVED: DEC 18 2013

I hereby certify that the above is a true and correct copy of the Order as approved.

Brenda A. Howe

Brenda A. Howe
Secretary to the Commission

target levels are for calculating the RPCRC for any period of time not equivalent to a normal rate year for LIAW.

C. **Base Rates**

a. The percentage increases, dollar increases and revenue forecasts for the base rates in each year for the term of the Rate Plan are as follows:

	% Increase	Increase	Revenues
Year One	6.02%	$2,955,218	$52,018,377
Year Two	2.64%	$1,375,826	$53,394,203
Year Three	2.17%	$1,160,601	$54,554,804

b. The revenue requirement calculations for each year and any adjustments contained in this Joint Proposal are contained in Appendix A.

c. The effect of this proposal on customers' bills is summarized in Appendix B.

d. Appendix C contains the proposed tariff leaves detailing the base rate increase and the effective date for Rate Years One, Two and Three.

D. **Acquisition Considerations**

a. Currently, LIAW's corporate parent is in the process of acquiring the New York assets of Aqua New York, Inc. (Aqua NY) (Case 11-W-0472). The JP revenue requirement recognizes $901,331 of ratepayer synergy savings throughout the three-year period of the rate plan ($133,777 + 383,777 + 383,777 for rate year 1, rate year 2 and rate year 3, respectively). This amount represents the Company's best estimate for the three-year rate plan.

b. Staff intends to examine synergy savings in Case 11-W-0472 and the savings identified above may be subject to adjustment based on the determination of the Commission in the acquisition proceeding. Any adjustment would be taken care of through the RPCRC Mechanism.

c. If the acquisition does not occur the Company will recover the $901,331 in synergy savings through the RPCRC Mechanism.

E. System Improvement Charge ("SIC")

The Company is authorized to continue the use of its SIC mechanism. The SIC mechanism applies to specific reviewed and approved projects. The mechanism will allow recovery of carrying costs (i.e., return and depreciation expense) on specific projects placed in service in Rate Year Two, Rate Year Three and beyond. The use of the SIC mechanism is approved for the following projects and associated capital expenditures:

- Iron removal facilities at Plant 15 - $8,450,000
- Storage tank rehabilitation at Plant 13 - $1,900,000
- Plant 5 common suction well rehabilitation, Phase 2 -$525,000
- Business transformation EAM/CIS - $4,926,481

The Company must make a compliance filing with the Secretary to the Commission after each project is placed in service. Further, after the Company makes its initial SIC filing, it must also make annual filing within 60 days of the end of each rate year to reconcile authorized compared to actual collections and update the surcharge for any accumulated depreciation associated with the projects in service. The submitted

surcharge will go into effect 60 days after submittal unless Staff submits a letter to the Company indicating that the surcharge should be adjusted.

After LIAW has incurred actual capital expenditures for the projects listed above and the new facilities have been placed in service, then the amount of those expenditures (net of associated (i) retirements, (ii) accumulated deferred income taxes ("ADIT"), and (iii) accumulated depreciation reserve, i.e., the net rate base ("NRB")) will constitute the incremental rate base investment subject to the SIC.

LIAW will be entitled to assess a SIC surcharge on customers' bills based on a pre-tax rate of return of 10.14% applied to the net rate base increase. The cost of annual depreciation expense will be added to that amount, and the total will be divided by projected annual water revenues as defined below.

The SIC surcharge will be a percentage, carried to two decimal places, and will be applied to the customer service charge and the volumetric charges billed to each Residential, Commercial & Industrial and Lawn Sprinkler customer. The formula of the calculation is as follows:

SIC surcharge = [(NRB x Pre-tax ROR) + D] / AR

Where:

NRB = the cost of the specific approved facilities listed above, net of associated (i) retirements, including cost of removal and any related tax benefits, (ii) ADIT and (iii) accumulated depreciation reserve

Pre-tax ROR = 10.14%

D = the annual depreciation expense on the net additions

AR = LIAW's projected annual metered revenues

The SIC surcharge will be used for the pre-approved applicable facilities placed in service during the Rate Plan and beyond. LIAW will provide Staff with detailed project information within 30 calendar days regarding the SIC (such as in service dates, actual paid capital expenditures, replacements and retirements). Staff will have 60 days to analyze and verify such data.

A reconciliation between authorized collections and actual collections related to the SIC surcharge will be conducted annually and filed with the Secretary to the Commission within 60 days of the end of each rate year. Any under-collections or over-collections will accrue interest at the customer deposit interest rate established by the Commission each year. Adjustments of under-collections or over-collections, as well as updates for accumulated depreciation reserve, will be reflected in the subsequent SIC surcharge filing. The submitted surcharge will go into effect 60 days after the submittal unless Staff submits a letter to the Company indicating that the surcharge should be adjusted.

The SIC surcharge will remain in place until the Commission issues a decision in the Company's next general rate case, at which time all costs previously collected through the SIC will be accounted for and included in base rates. Those new base rates will recover the costs that had been recouped previously via the SIC surcharge.

F. Distribution System Improvement Charge ("DSIC")

a. The DSIC surcharge, as described in the Settlement Agreement approved by the Commission in Case 04-W-0577,[2] and extended with some

[2] Case 04-W-0577, Order Establishing Rate Plan (Mar. 21, 2005).

modification by the Commission in Case 07-W-0508,3 shall end on the effective date new rates are implemented in the instant proceeding.

b. The Company agrees to spend $7.75 million per rate year on distribution system related work, including but not limited to, mains, services, hydrants, valves over the term of the rate plan. The carrying costs associated with the $7.75 million capital investment in each of the rate years have been included in the base rates for each of those years. A list of water main replacement projects anticipated to be completed as part of the distribution system improvement program in this rate plan is included in Appendix F.

c. Within 60 days after each Rate Year, the Company will submit to the Secretary to the Commission the capital expenditures for distribution system related projects under accounts 343, 344, 345 and 348. If the Company spends less than the authorized yearly amounts ($7.75 million per year), the Company will defer the revenue requirement impact of any shortfall below the target levels for the benefit of ratepayers. Such analysis will be done on a cumulative basis at the conclusion of the rate plan.

d. The existing DSIC surcharge, as described in the Settlement Agreement approved by the Commission in Case 04-W-0577, was subject to an annual reconciliation between the authorized collections and actual collections. The annual reconciliation was required to be filed within 60

[3] Case 07-W-0508, Order Determining Revenue Requirement and Rate Design (Mar. 5, 2008).

days of the end of each rate year. Any reconciliation amount, with applicable interest, was then included in the next DSIC filing. Another reconciliation filing for this DSIC surcharge is required for the twelve month period ending March 31, 2012. Accordingly, with the expiration of the DSIC surcharge upon adoption of this JP, the Company will file with the Secretary to the Commission a single and final DSIC reconciliation for the twelve month period ending March 31, 2012. The resulting final DSIC reconciliation amount will be recovered or refunded via a one-time surcharge or credit 45 days from the date of the filing via operation of the Final DSIC Reconciliation Statement No. 1 ("FDR"). Staff will have the 45 days from the final reconciliation filing date to review the Company's submission and calculations. A template for the FDR is shown in Appendix G.

G. Rate Structure

The rate increases authorized for Years One, Two and Three will be calculated as follows: In each year of the rate plan, the full percentage increase needed to reach the authorized revenue requirement is applied equally to Service Classification No. 1 (Residential), No. 1A (Commercial & Industrial), No. 2 (Private Fire Hydrant Service), No.3 (Lawn Sprinklers), No. 4 (Public Fire Protection), No. 5 (Construction and Other Purposes) and No. 6 (Private Fire Protection).

H. Earnings Sharing

a. The Signatories have agreed to an Earnings Sharing Mechanism ("ESM"). The capital structure used in determining the overall rate of return is

Agenda Date: 9/11/15
Agenda Item: 5B

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") FOUNDATIONAL FILING	)))))	ORDER ADOPTING STIPULATION OF SETTLEMENT BPU DOCKET NO. WR15060724

Parties of Record:

Robert J. Brabston, Esq., New Jersey-American Water Company, Inc., Petitioner
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:[1]

On June 12, 2015, New Jersey-American Water Company, Inc. ("Company" or "Petitioner"), a public utility corporation of the State of New Jersey, filed a petition pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-10.1 et seq. for approval to file and implement an automatic adjustment clause tariff that would establish a Distribution System Improvement Charge ("DSIC") for the renewal of water distribution system assets for the period of 2015 through 2018 (the "Foundational Filing").

BACKGROUND/PROCEDURAL HISTORY

The Company's initial DSIC Foundational Filing was approved by the Board on October 23, 2012 in BPU Docket No. WR12070669. The Company filed its base rate filing, BPU Docket No. WR15010035, on January 9, 2015, which incorporated the entirety of the Company's DSIC charge from its first DSIC recovery period (October 23, 2012 through April 30, 2013), second DSIC recovery period (May 1, 2013 through October 31, 2013), third DSIC recovery period (November 1, 2013 through April 30, 2014) and fourth DSIC recovery period (May 1, 2014 through October 31, 2014). Additionally, it incorporated DSIC eligible projects that were placed in-service between November 1, 2014 and July 31, 2015, the end of the test year.

The Petitioner ultimately filed its second Foundational Filing on June 12, 2015, as a separately docketed matter from the base rate case. The Company, the Division of Rate Counsel, and the Staff of the Board of Public Utilities (collectively, "the Parties") worked collectively to issue and respond to discovery questions in a timely manner, which would permit this matter to be acted

[1] President Richard S. Mroz and Commissioner Upendra J. Chivukula recused themselves due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

upon by the Board within the ninety (90) day period specified in N.J.A.C. 14:9-10.4(c). The Petitioner responded to discovery requested from all Parties. A discovery conference was held on August 7, 2015, with representatives from all Parties in attendance. At that conference, representatives of the Company responded to questions from Board Staff and Rate Counsel.

After proper notice, a public hearing was held at the Howell Municipal Building on August 26, 2015, at 6:00 pm, located in Howell, NJ. Two (2) members of the public appeared at the hearing and one (1) member provided comments on two issues: affordability concerns resulting from living on a fixed income of social security; and water quality concerns, specifically, undrinkable water that leaves black stains. The Company said after the meeting that it will address the water quality issue with the customers at the Villages, in Howell, NJ. The public comment hearing was transcribed and made a part of the record.

DISCUSSION AND FINDINGS

As a result of an analysis of the Petitioner's Foundational Filing, which included a review of the discovery that was responded to by the Petitioner and a public hearing held in the service territory, the Parties have come to an agreement on this matter. On August 28, 2015, the Parties executed a Stipulation of Settlement ("Stipulation"). Specifically, the Stipulation stated:

1. The Parties agreed that a Stipulation of Settlement in the base rate proceeding was executed and the Company expects to conclude that proceeding and implement new base rates pursuant to an Order of the Board in BPU Docket No. WR15010035 acted on at the Board's September 11, 2015 Agenda Meeting. Therefore the Company has met the requirement specified in N.J.A.C. 14:9-10.4(c) regarding the setting of new base rates.

2. The Parties recommended that the Board find that the Company's Foundational Filing, including a revised Appendix C-Project List, summary of which is attached to the Stipulation as Exhibit A, satisfies all of the requirements of N.J.A.C. 14:9-10.4(b) and that the Board approve the Foundational Filing as modified by revised Appendix C.

3. The Parties recommended that the Board find that the projects listed in the revised Appendix C-Project List, summary of which is attached to the Stipulation as Exhibit A, are "DSIC-eligible projects" within the scope and meaning of the definition set forth in N.J.A.C. 14:9-10.2 and N.J.A.C. 14:9-10.3(a) and that the Board approve the Project List. The Company represents that the projects listed in the revised Appendix C-Project List only include projects that are scheduled to begin construction after the effective date of this Foundational Filing.

4. The Parties agreed that Exhibit C contains two project titles, Emergent Large Diameter Pipe Failures and Unscheduled Municipal Main Replacements, which by their nature are not identifiable by project ID, location, duration or specific description at this time. However, the Parties agree that the projects done in response to emergent large diameter pipe failures and projects done in response to changing municipal paving or other construction schedules are typically DSIC eligible, in that they consist of: water main replacement or rehabilitation; water main cleaning and lining; valve and hydrant replacement; service line replacement; and/or unreimbursed utility relocation costs associated with relocations required by governmental entities; are not revenue-producing; and are in excess of the Company's base spending, as otherwise required by N.J.A.C. 14:9-10.2 and N.J.A.C. 14:9-10.3(a). The Company agrees to identify each and every project performed in either of these two project titles, provide specific project

details (e.g., length, diameter and material of the main, project location and in service date, and project costs) and certify that the project meets the DSIC criteria as part of an appropriate filing with the Board.

5. The Parties agreed that the revenue requirement associated with the actual costs of the approved projects, attached to the Stipulation as Exhibit A, be recovered through future "DSIC filings" made during the "DSIC period" as those terms are defined in N.J.A.C. 14:9-10.2 at intervals and in a manner consistent with the requirements of N.J.A.C. 14:9-10.5.

6. The Parties agreed that the annual "base spending" requirement as defined in N.J.A.C. 14:9-10.2. is $23,922,104, based on the information filed in the Company's last annual report on file with the Board (the 2014 Annual Report) at the time new base rates are expected to be set.

7. The Parties agreed that the maximum amount of annual DSIC revenue that may be collected by the Petitioner is $32,570,922, or 5% of the revenues expected to be set in the Company's current base rate case.

8. The Parties agreed and recommended to the Board that the Company's Foundational Filing, including its revised project list, be considered by the Board at the next agenda meeting, scheduled for September 11, 2015, which date is ninety-one (91) days after the date of the filing of the Company's petition and Foundational Filing.

Based upon the information presented in the petition and agreed to by the Parties in the Stipulation, the Board **HEREBY FINDS** that the Company's 2015 overall revenue for DSIC purposes is $651,418,432. The Board **FURTHER FINDS** that the Petitioner's maximum amount of annual DSIC revenues that may be collected is $32,570,922, or no more than 5% of the Company's total water revenues established in the Company's most recent base rate case.[2] The Company will implement the DSIC surcharge if, and when, it achieves specific levels of infrastructure investment and completes and places the facilities into service as required by N.J.A.C. 14:9-10.1 et seq. As an example, an average residential customer with a 5/8 inch meter may be subjected to a maximum monthly DSIC surcharge of $3.54. These proposed rates are estimates and may change, however the maximum annual DSIC revenue requirement, $32,570,922, cannot be exceeded.

The Board **HEREBY ORDERS** that, in accordance with N.J.A.C. 14:9-10.5(b), the Petitioner shall make DSIC filings on a semi-annual basis, commencing approximately six months after the effective date of the Foundational Filing. Petitioner must submit its semi-annual DSIC filing within 15 days of the end of the DSIC recovery period. DSIC filings shall be reviewed by Board Staff and the Division of Rate Counsel. Petitioner may recover the interim surcharge associated with the DSIC-eligible projects closed during the DSIC recovery period not objected to by Board Staff or the Division of Rate Counsel beginning 60 days after the end of the DSIC recovery period, subject to refund at the Board's discretion. It is **FURTHER ORDERED** that Petitioner must comply with the base spending requirements set forth in this Order. Failure to comply with the base spending requirements will result in a reduction and refund, where appropriate, of the DSIC surcharge. Thus, Petitioner's DSIC surcharge is interim, subject to refund, and shall not exceed the annual maximum revenue requirement of $32,570,922 set forth in this Order.

[2] The rate case is expected to be decided on the Board's September 11, 2015.

The Board **FURTHER ORDERS**, that in accordance with N.J.A.C. 14:9-10.4(e), if within three (3) years after the effective date of this Order, Petitioner has not filed a petition in accordance with the Board's rules for the setting of its base rates, all interim charges collected under the DSIC shall be deemed an over-recovery, and shall be credited to customers in accordance with the Board's rules.

The Board **FURTHER ORDERS**, that as of the effective date of the New Jersey-American Water Company September 11, 2015 Base Rate Order, Docket Number WR15010035, the prior foundational filing (effective October 23, 2012, Docket No. WR12070669) was concluded, the DSIC rate was reset to zero and no additional DSIC filings or DSIC rates may be collected, made or implemented pursuant thereto.

Having reviewed the Foundational Filing and the Stipulation, the Board **FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board **FINDS** the Foundational Filing and Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein, subject to the requirements set forth in N.J.A.C. 14:9-10.1 et seq., and the conditions set forth in this Order.

Based upon the foregoing, the Board **HEREBY APPROVES** the Company's Foundational Filing and **ORDERS** that the Company may implement a Distribution System Improvement Charge, subject to this Order and Petitioner's ongoing compliance with the DSIC regulations, as well as conformity of the base spending requirements and semi-annual true-up submissions.

The effective date of this Order is September 21, 2015.

DATED: 9/11/15

BOARD OF PUBLIC UTILITIES
BY:

JOSEPH L. FIORDALISO
COMMISSIONER

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

ATTEST:

IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC.
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") FOUNDATIONAL FILING
BPU DOCKET NO. WR15060724

SERVICE LIST

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. DISTRIBUTION SYSTEM IMPROVEMENT CHARGE("DSIC") FOUNDATIONAL FILING	:	BPU DOCKET NO. WR15060724 **STIPULATION OF SETTLEMENT**

APPEARANCES:

Robert J. Brabston, Esq., on behalf of New Jersey-American Water Company, Inc., Petitioner;

Carolyn McIntosh and Alex Moreau, Deputy Attorneys General, on behalf of the Staff of the Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey); and

Debra F. Robinson, Deputy Rate Counsel, and Susan E. McClure, Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel.

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

On June 12, 2015, New Jersey-American Water Company, Inc. ("Petitioner"), a public utility of the State of New Jersey, filed a Petition with the Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-21 and New Jersey Administrative Code (N.J.A.C.) 14:9-10.1 et seq. and such statutes and regulations and Board orders that may be deemed by the Board to be applicable, for approval of its Foundational Filing to enable the implementation of a Distribution System Improvement Charge ("DSIC" or "Surcharge") for the renewal of water distribution system assets for the period of 2015 through 2018.

NJAWC is a regulated public utility corporation engaged in the production, treatment and distribution of water, and collection and treatment[1] of wastewater within its defined service territory within the State of New Jersey. Said service territory includes portions of the following counties: Atlantic; Bergen, Burlington; Camden; Cape May; Essex; Gloucester; Hunterdon; Middlesex; Mercer; Monmouth; Morris; Ocean; Passaic; Salem; Somerset; Union; and Warren. As of December 31, 2014, NJAWC serves approximately 613,000 water and fire service customers and 36,000 sewer service customers in 216 municipalities and 18 counties throughout the state.

In support of its Petition, NJAWC submitted a Foundational Filing, consisting of the following information required by N.J.A.C. 14:9-10.4:

a) An engineering evaluation report ("Engineering Report") of the water utility's distribution system that:

i. Identifies the rationale for the work needed to be accelerated for the water utility to properly sustain its water distribution network; and

ii. Demonstrates that the plan proposed to accelerate the renewal of the distribution network is the most cost effective plan; and

iii. To the extent that elements of the distribution network are failing, identifies what mechanisms are causing the failures; and

iv. Identifies what is being done to extend the life of the water utility's assets.

b) Information about proposed "DSIC-eligible projects" as defined in N.J.A.C. 14:9-10.2 and14:9-10.3 for the upcoming "DSIC period" as defined in N.J.A.C. 14:10.2 that includes the following:

[1] Currently, NJAWC treats wastewater at its Pottersville, Deep Run, and former AWWM facilities.

i. Aggregate information capturing blanket type DSIC-eligible infrastructure to be rehabilitated or replaced (e.g., estimated number of valves, number of hydrants, or number of service lines replaced)[2] and the estimated annual cost of such blanket type replacement programs (see Section 2 of the Foundational Filing Engineering Report);

ii. Vintage, condition, and other similar relevant, reasonably available information about the eligible infrastructure that is being rehabilitated or replaced (see Sections 3 through 6 of the Foundational Filing Engineering Report);

iii. The nature, location, estimated duration of project work (including estimated in-service dates) and a description and reason for project necessity (see Sections 3 through 6 of the Foundational Filing Engineering Report and Foundational Filing Appendix C);

iv. A list of projects with project identification numbers, DSIC-eligible asset class or category, and estimated project costs (see Foundational Filing Appendix C);

v. Other such relevant and appropriate information to assist in making an informed decision regarding any given project.

c) The expected amount of NJAWC's base spending including underlying detail documenting that the base spending has been made on the appropriate types of infrastructure; a proposed DSIC assessment, calculated in accordance with subsection N.J.A.C. 14:9-10.8; and

[2] N.J.A.C. 14:19-10.4(b)2.iii requires the submission of the number of valves, hydrants, or service lines to be rehabilitated or replaced as part of the Foundational Filing. The Company asserted in its response to SE-4 that such details are not available for Blanket projects and provided instead historic information for 2013 and 2014, asserting that it would be representative of activity for this Foundational Filing. The Company agreed in subsequent discussion to provide Blanket project details in its DSIC filings made under N.J.A.C. 14:19-10.5.

work papers showing the detailed calculations supporting the proposed assessment schedule. (See Foundational Filing Appendix D)

In BPU Docket No. WO10090655, the Board approved a Distribution System Improvement Charge (DSIC), which was published in the New Jersey Register on June 4, 2012 and effective on that date. The DSIC rules were adopted as an amendment and addition to the N.J.A.C. as §§ 14:9-10.1 et seq. The rule sets forth the conditions and procedures pursuant to which regulated water utilities may seek recovery of eligible capital investments through monthly surcharges, set semi-annually, on customer bills.

In that same docket, the Board ordered that regulated water utilities may make a Foundational Filing, which is the subject of this petition. The present Petition is filed in accordance with N.J.A.C. 14:9-10.1 et seq. and 14:1-5.1 et seq.

On August 7, 2015, a discovery conference was held.

On August 26, 2015, a public hearing was conducted at 6 p.m. in Howell Township, New Jersey at the Howell Municipal Building. Two (2) members of the public appeared at this public hearing. One member provided comments regarding both affordability and water quality.

As a result of the foregoing, the Parties agree to the following settlement terms:

SETTLEMENT AGREEMENT

1. NJAWC recently completed a full base rate case in BPU Docket No. WR15010035, which is expected to be approved by the Board at its September 11, 2015 agenda meeting, after which the Board's Order will be served and become effective consistent with N.J.S.A. 48:2-40, at which time the previous DSIC rate will be reset to zero, and this Stipulation for the DSIC Foundational Filing herein is also expected to be reviewed by the Board on

September 11, 2015, and the Board Order approving this Stipulation will likewise become effective in accordance with N.J.S.A. 48:2-40.

2. The Parties recommend that the Board find that the Company's Foundational Filing, including a revised Appendix C—Project List, summary of which is attached to this Stipulation as Exhibit A, satisfies all of the requirements of N.J.A.C. 14:9-10.4(b) and that the Board approve the Foundational Filing as modified by revised Appendix C. The revised Appendix C omits those projects originally identified by the Company as "DSIC-eligible projects" which the parties agreed to remove from the project list due to the projects having been completed during the Company's pending rate case.

3. The Parties recommend that the Board find that the projects listed in the revised Appendix C—Project List, summary of which is attached hereto as Exhibit A, are "DSIC-eligible projects" within the scope and meaning of the definition set forth in N.J.A.C. 14:9-10.2 and N.J.A.C. 14:9-10.3(a) and that the Board approve the Project List. The Company represents that the projects listed in the revised Appendix C-Project List only include projects that are scheduled to begin construction after the effective date of this Foundational Filing.

4. Exhibit C contains two project titles, Emergent Large Diameter Pipe Failures and Unscheduled Municipal Main Replacements, which by their nature are not identifiable by project ID, location, duration or specific description at this time. However, the Parties agree that the projects done in response to emergent large diameter pipe failures and projects done in response to changing municipal paving or other construction schedules are typically DSIC eligible, in that they consist of: water main replacement or rehabilitation; water main cleaning and lining; valve and hydrant replacement; service line replacement; and/or unreimbursed utility relocation costs associated with relocations required by governmental entities; are not revenue-producing; and are in excess of the Company's base spending, as otherwise required by N.J.A.C. 14:9-10.2 and

N.J.A.C. 14:9-10.3(a). The Company agrees to identify each and every project performed in either of these two project titles, provide specific project details (e.g. length, diameter and material of the main, project location and in service date, and project costs) and certify that the project meets the DSIC criteria as part of an appropriate filing with the Board.

5. The Parties to this Stipulation agree that the revenue requirement associated with the actual costs of the approved projects listed in Exhibit A be recovered through future "DSIC filings" made during the "DSIC period" as those terms are defined in N.J.A.C. 14:9-10.2 at intervals and in a manner consistent with the requirements of N.J.A.C. 14:9-10.5.

6. The Parties to this Stipulation agree that the annual "base spending" as defined in N.J.A.C. 14:9-10.2. is $23,922,104.00, based on the information filed in the Company's last annual report on file with the Board (the 2014 Annual Report) at the time new base rates are expected to be set.

7. The Parties agree that the maximum amount of annual DSIC revenue that may be collected by the Petitioner is $32,570,922.00, or 5% of the revenues expected to be set in the Company's current base rate case.

8. Adequate public notice of this filing, and the effect thereof, was made by serving the public notice by mail upon the clerks of municipalities within the Petitioner's service area, upon the Clerks of the Boards of Chosen Freeholders within Petitioner's service area, and upon the County Executives within Petitioner's service area, at least twenty (20) days prior to the dates set for the public hearings, which notice included and specified the times and places of said hearings.

9. Customers were notified of this filing and the effect thereof as well as the time and place of the public hearing by publication of the public notice at least twenty (20) days prior

to the date set for the public hearing, in newspapers of general circulation within Petitioner's service territory. In addition, customers were also made aware of this filing and the effect thereof by bill message included on customers' bills and by posting the entire Foundational Filing on the NJAWC company website.

10. Proof of Service of the Notice as previously referred to herein will be filed with the Board on August 27, 2015, which is the first business day after the public hearing.

11. The Parties agree and recommend to the Board that the Company's Foundational Filing, including its revised project list be considered by the Board at the next agenda meeting, scheduled for September 11 2015, which date is ninety-one (91) days after the date of the filing of the Company's petition and Foundational Filing. The Parties understand that service of the Board Order approving this Stipulation shall be in accordance with N.J.S.A. 48:2-40.

12. This Stipulation shall be binding on the Parties to this proceeding upon approval hereof by the Board. This Stipulation shall bind the Parties in this matter only and shall not be considered precedent in any other proceeding involving the Parties hereto.

13. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the signatory Parties individually and jointly state that they would not have signed the Stipulation had any term been modified in any way. In the event that any modifications whatsoever are made to this Stipulation, each of the Parties hereto is entitled to certain procedures in the event of such occurrence.

14. If any modification is made to the terms of this Stipulation, the signatory Parties must be given the right to be placed in the position in which each Party was before this Stipulation was executed. It is essential that each party be given the option either to modify its

own position, to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached.

15. The Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.

16. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: _____
Susan E. McClure
Assistant Deputy Rate Counsel

Dated:

NEW JERSEY-AMERICAN WATER
COMPANY, INC.

By: Robert J. Brabston /dlc
Robert J. Brabston
Corporate Counsel

Dated: 8/28/15

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By: _____
Alex Moreau
Deputy Attorney General

Dated:

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Alex Moreau
Deputy Attorney General

Dated: 8/28/15

BPU Docket WR15060724

New Jersey American Water Company, Inc.
2015 Foundational Filing
Appendix C -Revised 6/15/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	RAAM Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated in Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
244	Coastal Operating Area	ABERDEEN	Aberdeen - Idlebrook, from Innerhill to "I" tank 18"	$320,000	Replace	650	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	20
548	Coastal Operating Area	ABERDEEN	Aberdeen - North Cir, From Northland to Northland	$150,000	Replace	1,000	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q3	Yes	30
549	Coastal Operating Area	ABERDEEN	Aberdeen - Isabel Pl, from Improved to End	$239,000	Replace	900	8.00	PVC	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	2016Q3	Yes	30
5269	Coastal Operating Area	ABERDEEN	Aberdeen - Imperia Main Replacement	$168,045	Replace	650	8.00	PVC	1960's	8	Asbestos Cement	Safety and Reliability	120	2016Q3		10
5291	Coastal Operating Area	ABERDEEN	Aberdeen - Campaigne Dr. Main Replacement	$405,000	Replace	2,700	8.00	PVC	1960's	8	Asbestos Cement	Safety and Reliability	120	2016Q3		20
5293	Coastal Operating Area	ABERDEEN	Iosha Lane, Main Replacement	$195,000	Replace	1,300	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
5294	Coastal Operating Area	ABERDEEN	Aberdeen - Relic Place, Main Replacement	$25,000	Replace	165	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
5295	Coastal Operating Area	ABERDEEN	Aberdeen - Inner Way, Main Replacement	$31,500	Replace	210	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
5296	Coastal Operating Area	ABERDEEN	Aberdeen - Adam Ct Main Replacement	$56,250	Replace	375	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
5297	Coastal Operating Area	ABERDEEN	Aberdeen - Line Road Main Replacement	$700,000	Replace	4,400	12.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		20
6042	Coastal Operating Area	ABERDEEN	Overlea Lane Main Replacement	$210,000	Replace	1,400	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		20
6044	Coastal Operating Area	ABERDEEN	Ormond Lane Main Replacement	$112,500	Replace	750	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	TBD		30
6046	Coastal Operating Area	ABERDEEN	Caitlyn Lane Main Replacement	$97,500	Replace	650	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6047	Coastal Operating Area	ABERDEEN	Opal Place Main Replacement	$31,500	Replace	210	6.00	PVC	1960's	6	PVC	Safety and Reliability	120	TBD		10
6049	Coastal Operating Area	ABERDEEN	Woodrue Place Main Replacement	$150,000	Replace	750	8.00	PVC	1960's	8	Asbestos Cement	Safety and Reliability	120	2016Q4		10
6051	Coastal Operating Area	ABERDEEN	Water Main Replacement	$63,450	Replace	420	6.00	PVC	1960's	8	Asbestos Cement	Safety and Reliability	120	2016Q4		10
6052	Coastal Operating Area	ABERDEEN	Waverly Place Main Replacement	$263,000	Replace	1,100	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
6053	Coastal Operating Area	ABERDEEN	Weslan Place Main Replacement	$88,500	Replace	590	8.00	PVC	1960's	8	Asbestos Cement	Safety and Reliability	120	TBD		10
6054	Coastal Operating Area	ABERDEEN	Linda Circle Main Replacement	$150,000	Replace	1,000	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
6055	Coastal Operating Area	ABERDEEN	Woodbrook Drive Main Replacement	$321,750	Replace	2,145	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
6079	Coastal Operating Area	ABERDEEN	Jane Place Main Replacement	$112,500	Replace	750	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		10
6080	Coastal Operating Area	ABERDEEN	Juniper Place Main Replacement	$225,000	Replace	1,500	8.00	PVC	1960's	8	Asbestos Cement	Safety and Reliability	120	2016Q4		10
6081	Coastal Operating Area	ABERDEEN	Jordan Place Main Replacement	$30,000	Replace	200	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	TBD		10
6084	Coastal Operating Area	ABERDEEN	Jubilee Circle Main Replacement	$163,000	Replace	1,100	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
6159	Coastal Operating Area	ABERDEEN	Dodo Lane Main Replacement	$130,750	Replace	763	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
7047	Coastal Operating Area	ABERDEEN	Imperia Main Lining	$105,000	Rehab	320	8.00	HDPE	1960's	8	Asbestos Cement	Safety and Reliability	120	2016Q3		10
7160	Coastal Operating Area	ABERDEEN	Beckston Dr Main Replacement	$300,000	Replace	2,050	6.00	PVC	1960's	8	Asbestos Cement	Safety and Reliability	120	2016Q4		20
7161	Coastal Operating Area	ABERDEEN	Beacon Lane Main Replacement	$150,000	Replace	1,000	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		10
7162	Coastal Operating Area	ABERDEEN	Brookview Lane Main Replacement	$225,000	Replace	1,500	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		20
7163	Coastal Operating Area	ABERDEEN	Bella Place Main Replacement	$37,500	Replace	250	6.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		10
214	Coastal Operating Area	ABSECON	Absecon - Shore Road - Between Station Avenue & Fauncs Landing Road (Shore Rd short ends 2014)	$468,750	Replace	1,875	16.00	Ductile Iron	1920's	8	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
217	Coastal Operating Area	ABSECON	Absecon - Shore Road - Between Faunce Landing Road & Shady Lane (Shore Rd short ends 2014)	$255,000	Replace	1,020	16.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
233	Coastal Operating Area	ABSECON	Absecon - Shore Road - Between Shady Lane & Bayview Drive (ASWMP 1.308	$642,500	Replace	2,500	16.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
336	Coastal Operating Area	ABSECON	Absecon - Shore Road - Between Bayview Drive & Rossier Avenue	$79,500	Replace	300	16.00	Ductile Iron	1910's	8	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
237	Coastal Operating Area	ABSECON	Absecon - Shore Road - Between Kessler Avenue & 200 Feet North of Kessler Avenue	$53,000	Replace	200	16.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	118	TBD	Yes	10
238	Coastal Operating Area	ABSECON	Absecon - US Route 9 - Between Brown Avenue & Dickinson Avenue	$70,000	Replace	280	12.00	Ductile Iron	1990's	8	Ductile Iron	System Flows and Pressure	120	TBD	Yes	0
5499	Coastal Operating Area	ABSECON	Absecon Cleaning and Lining	$2,568,375	Rehab	20,547	6.00	Other	1910's	6	Cast Iron	Water Quality	120	TBD		20
5500	Coastal Operating Area	ABSECON	West Absecon Boulevard from Shore Road west 331 feet	$41,375	Replace	331	8.00	Ductile Iron	1910's	6	Cast Iron	Water Quality	120	TBD		10
5501	Coastal Operating Area	ABSECON	Station Avenue from Shore Road west 137 feet	$17,125	Replace	137	16.00	Ductile Iron	1960's	6	Cast Iron	Water Quality	120	2016Q4		10
5502	Coastal Operating Area	ABSECON	Mechanic Street from New Jersey Avenue to Church Street	$80,125	Replace	641	8.00	Ductile Iron	1980's	2	Cast Iron	Water Quality	120	TBD		20
5503	Coastal Operating Area	ABSECON	Church Street from Pitney Road to Shore Road	$92,325	Replace	737	8.00	Ductile Iron	Unknown	2	Cast Iron	Water Quality	120	TBD		10
5506	Coastal Operating Area	ABSECON	Lenape Lane from Church Street to Delaware Avenue	$56,500	Replace	452	8.00	Cast Iron	Unknown	3	Cast Iron	Water Quality	120	TBD		10
5507	Coastal Operating Area	ABSECON	Wyoming Avenue from West Jersey Avenue to Huron Avenue	$300,000	Replace	1,875	8.00	Ductile Iron	Unknown	6	Cast Iron	Water Quality	120	TBD		10
5508	Coastal Operating Area	ABSECON	Osage Lane from Alameda Avenue to Seminole Avenue	$61,875	Replace	495	6.00	Ductile Iron	1940's	3	Cast Iron	Water Quality	120	TBD		10
5509	Coastal Operating Area	ABSECON	Richmond Circle from Shady Lane to the end	$67,000	Replace	376	6.00	Ductile Iron	1910's	2	Cast Iron	Water Quality	120	TBD		20
6056	Coastal Operating Area	ABSECON	Berkley Avenue between Shore Road and Euclid Drive	$73,000	Replace	450	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6057	Coastal Operating Area	ABSECON	Cordova Drive between Shore Road and Lisbon Ave	$33,000	Replace	250	2.00	Cast Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6058	Coastal Operating Area	ABSECON	Amy Lane between Shore Road and Royston Drive	$140,000	Replace	875	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6059	Coastal Operating Area	ABSECON	Davis Avenue between Amy Lane and Shore Road	$53,000	Replace	325	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6060	Coastal Operating Area	ABSECON	Wyoming Avenue between Shore Road and Pitney Road	$450,000	Replace	2,950	12.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6061	Coastal Operating Area	ABSECON	Huron Avenue between Church Street and Wyoming Avenue	$732,000	Replace	1,450	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6062	Coastal Operating Area	ABSECON	W Church Street between New Road and School Street	$178,400	Replace	1,115	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6064	Coastal Operating Area	ABSECON	W Church Street between 12th Street and New Road	$36,000	Replace	400	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6065	Coastal Operating Area	ABSECON	Alameda Avenue between New Road and Mill Road	$200,000	Replace	1,250	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6066	Coastal Operating Area	ABSECON	Seminole Avenue between Alameda Avenue and Mill Road	$178,400	Replace	1,115	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6083	Coastal Operating Area	ABSECON	Cedar Hill Drive between Reed Road and Burning Tree Blvd	$58,000	Replace	400	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6085	Coastal Operating Area	ABSECON	Cynwyd Drive between Cedar Hill Drive and Park Avenue	$268,000	Replace	1,675	8.00	Ductile Iron	1948's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6581	Coastal Operating Area	ABSECON	AB - Burning Tree Blvd between Forest Hill Dr and Cedar Hill Dr	$195,000	Replace	1,300	8.00	PVC	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6583	Coastal Operating Area	ABSECON	AB - Wyncrwood Dr between Forest Hill Dr and 350' N. of US Rt 30	$139,000	Replace	960	8.00	PVC	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6585	Coastal Operating Area	ABSECON	AB - Briarcliff Place between Reed Rd and Park Ave	$42,000	Replace	280	8.00	PVC	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6587	Coastal Operating Area	ABSECON	AB - Woods Road between Reed Rd and Hillside Circle	$81,500	Replace	570	8.00	PVC	1960's	6	PVC	Safety and Reliability/Structural	120	TBD		10
6591	Coastal Operating Area	ABSECON	AB - Reed Road between Forest Hill Dr and Cedar Hill Dr	$168,750	Replace	1,125	8.00	PVC	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
5915	Coastal Operating Area	ALLENHURST	Elberon Ave	$313,000	Replace	1,800	8.00	Ductile Iron	1910's	6	Cast Iron	Water Quality	120	TBD		20
5916	Coastal Operating Area	ALLENHURST	Cedar ave	$298,000	Replace	1,650	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
5917	Coastal Operating Area	ALLENHURST	Spier ave from Ocean ave to dam.	$400,000	Replace	2,200	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	2016Q4		20
6979	Coastal Operating Area	ALLENHURST	Cedar Ave Railroad Crossing	$90,000	Replace	550	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	2016Q2		20
7158	Coastal Operating Area	ALLENHURST	Allen Ave - Main Replacement of 4-inch CI with 8-inch DI	$270,000	Replace	1,500	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	2016Q2		10
6615	Coastal Operating Area	ASBURY PARK	VAP-1143 Valve Replacement at Langford and Cookman	$130,000	Replace	5	24.00	Ductile Iron	1920's	24	Cast Iron	Safety and Reliability	120	2016Q1		10
7134	Coastal Operating Area	ASBURY PARK	VAP-1143 Valve Replacement	$50,000	Replace	10	24.00	Ductile Iron	1950's	24	Cast Iron	Safety and Reliability	120	2016Q1		20
106	Southwest Operating Area	AUDUBON	Audubon - Carnell Road - Amherst Road to Hopkins Road	$266,000	Replace	1,400	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	2016Q1	Yes	30
107	Southwest Operating Area	AUDUBON	Audubon - Carlisle Road - Amherst Road to Hopkins Road	$285,000	Replace	1,500	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	2016Q3	Yes	30
108	Southwest Operating Area	AUDUBON	Audubon - South Barrett Avenue - East Pine Street to Stow Crt	$268,000	Replace	1,400	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
109	Southwest Operating Area	AUDUBON	Audubon - South Logan Avenue - East Pine Street to East Merchant Street	$361,000	Replace	1,900	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
111	Southwest Operating Area	AUDUBON	Audubon - South Lenola Avenue - East Pine Street to NAU-129	$285,000	Replace	1,500	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
417	Southwest Operating Area	AUDUBON	Audubon - Chestnut Street - Cedarcroft Avenue to West Atlantic Avenue	$675,000	Replace	2,300	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
419	Southwest Operating Area	AUDUBON	Audubon - Wyoming Avenue - Audubon Avenue to Washington Terrace	$608,000	Replace	1,300	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	2016Q1	Yes	30
5312	Southwest Operating Area	AUDUBON	Audubon - Cedarcroft Avenue - Walnut Street to Mansion Avenue	$266,000	Replace	1,400	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5313	Southwest Operating Area	AUDUBON	Audubon - Chestnut Street - East Atlantic Avenue to South White Horse Pike	$95,000	Replace	500	8.00	Ductile Iron	1920's	2	Cast Iron	Water Quality	120	TBD		30
5314	Southwest Operating Area	AUDUBON	Audubon - East Glassbury Avenue - East Atlantic Avenue to Hopkins Avenue	$494,000	Replace	2,200	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5315	Southwest Operating Area	AUDUBON	Audubon - North and South Haviland Avenue - East Glassbury Avenue to Cuthbert Blvd.	$380,000	Replace	2,000	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5316	Southwest Operating Area	AUDUBON	Audubon - West Pine Street - South White Horse Pike to Edgewood Avenue	$684,500	Replace	3,650	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5317	Southwest Operating Area	AUDUBON	Audubon - East Pine Street, White Horse Pike to Amherst Road	$157,000	Replace	800	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5714	Southwest Operating Area	AUDUBON	Audubon - West Vesper Ave - White Horse Pike to East Atlantic Avenue	$85,000	Replace	500	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5929	Southwest Operating Area	AUDUBON	Audubon - Brynhurst Avenue / Park Place - Penn Avenue to Hopkins Avenue	$418,000	Replace	2,200	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5954	Southwest Operating Area	BARRINGTON	Barrington - Kingston Avenue - 3rd Avenue to 5th Avenue	$266,000	Replace	1,400	8.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD		30
458	Coastal Operating Area	BAY HEAD	Bayhead - East Ave	$350,000	Replace	2,800	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	2016Q4	Yes	30

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated in Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
419	Coastal Operating Area	BAY HEAD	Bayhead - Mount Street	$80,000	Replace	400	8.00	Ductile Iron	1940's	2	Galvanized Steel	System Flows and Pressure	120	2016Q4	Yes	20
795	Coastal Operating Area	BAY HEAD	Bay Head Clayton Ave from Johnson St north to terminus.	$25,200	Replace	210	4.00	Ductile Iron	Unknown	1.5	HDPE	Safety and Reliability/Structural	120	TBD	Yes	10
798	Coastal Operating Area	BAY HEAD	Bay Head Between Lake Ave and Rt 35 from Karge St south to terminus	$37,600	Replace	230	6.00	Ductile Iron	1930's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
799	Coastal Operating Area	BAY HEAD	Bay Head West Lake Ave from Meadow Ave to Metcalfe St.	$62,400	Replace	520	6.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
800	Coastal Operating Area	BAY HEAD	Bay Head Grove Ave from Holly Ave west to reducer.	$50,400	Replace	420	6.00	Ductile Iron	1930's	2.5	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
801	Coastal Operating Area	BAY HEAD	Bay Head Park Ave from West Lake Ave east to terminus.	$4,800	Replace	40	6.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	10
802	Coastal Operating Area	BAY HEAD	Bay Head Warren Pl from Osborne Ave to terminus.	$15,600	Replace	130	6.00	Ductile Iron	1930's	2.5	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
803	Coastal Operating Area	BAY HEAD	Bay Head Birch Pl from Twilight Rd to terminus.	$18,000	Replace	150	6.00	Ductile Iron	1990's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
7134	Coastal Operating Area	BAY HEAD	Metcalf St (from W Lake to Club)	$87,000	Replace	495	8.00	Ductile Iron	1910's	6	Cast Iron	Relocation/Opportunity	120	2016Q1		30
7135	Coastal Operating Area	BAY HEAD	West Lake Ave (from Meadow to Bridge)	$160,000	Replace	800	12.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability	120	2016Q1		20
6713	North Operating Area	BEDMINSTER	BEDMINSTER Route 206 between Somerville Rd and Lamington Rd	$300,000	Replace	1,500	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability	120	TBD		20
6764	North Operating Area	BEDMINSTER	BEDMINSTER Old Stonehouse Rd between Old Dutch Rd & Ski Hill Dr	$440,000	Replace	2,200	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability	120	TBD		10
6765	North Operating Area	BEDMINSTER	BEDMINSTER Deer Haven Rd from Old Dutch Rd to dead end	$260,000	Replace	1,300	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6766	North Operating Area	BEDMINSTER	BEDMINSTER Ski Hill Dr off Route 206	$800,000	Replace	4,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		10
6767	North Operating Area	BEDMINSTER	BEDMINSTER White Oak Lane in easement between 421 & 445	$35,000	Replace	200	6.00	Ductile Iron	Unknown	2	Cast Iron	Safety and Reliability	120	TBD		10
5667	Southwest Operating Area	BELLMAWR	Bellmawr 1st Ave and N. Bellmawr Avenue - E. Browning Road to Existing 6"	$114,000	Replace	600	8.00	Ductile Iron	1950's	2	Ductile Iron	System Flows and Pressure	120	TBD		30
5899	Southwest Operating Area	BELLMAWR	Bellmawr Camponell Avenue East Browning Road to Lake Drive	$106,400	Replace	560	8.00	Ductile Iron	1940's	2	Cast Iron	System Flows and Pressure	120	TBD		20
24	North Operating Area	BELVIDERE	Belvidere Water St (Wall St to Hardwick)	$337,500	Replace	1,500	12.00	Ductile Iron	Unknown	8	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
64	North Operating Area	BELVIDERE	Belvidere Oxford Street from Hardwick to 5th St	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	0
5471	North Operating Area	BELVIDERE	4th Street from Franklin to 5th	$168,125	Replace	1,075	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
5472	North Operating Area	BELVIDERE	5th Street from 4th to Greenwich	$527,000	Replace	2,635	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
5473	North Operating Area	BELVIDERE	3rd ST from Oxford to Mansfield	$267,750	Replace	1,530	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
5474	North Operating Area	BELVIDERE	2nd St from Oxford to Depue St.	$443,000	Replace	2,215	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
5475	North Operating Area	BELVIDERE	Greenwich St. from 3rd to Water	$230,000	Replace	1,150	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
5476	North Operating Area	BELVIDERE	In Market from Water St. to Manunkachunk Rd.	$256,875	Replace	1,465	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
5477	North Operating Area	BELVIDERE	Paul St. from Wall St. to Market St.	$202,000	Replace	1,010	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
5478	North Operating Area	BELVIDERE	Spring St from 4th St to 5th St.	$91,875	Replace	525	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
5479	North Operating Area	BELVIDERE	Fish St - Wall Street to end	$82,500	Replace	413	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
518	North Operating Area	BERKELEY HEIGHTS	Berkeley Heights - Plainfield Ave. from Valley to Horseshoe Phase 2	$810,000	Replace	3,600	12.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability	120	TBD	Yes	10
560	North Operating Area	BERKELEY HEIGHTS	Berkeley Heights Plainfield Ave from 400' north of Springfield to Mountain Ave	$630,000	Replace	2,800	12.00	Ductile Iron	1930's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
561	North Operating Area	BERKELEY HEIGHTS	Berkeley Heights Plainfield Ave from Valley to Horseshoe Phase 3	$900,000	Replace	4,000	12.00	Ductile Iron	1960's	12	Ductile Iron	Safety and Reliability/Structural	120	TBD	Yes	10
6168	North Operating Area	BERKELEY HEIGHTS	Berkeley Heights Springfield Avenue from Central Avenue to Plainfield Avenue	$1,856,250	Replace	8,250	12.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6189	North Operating Area	BERKELEY HEIGHTS	Rehab Existing CI unlined mains in Berkley Heights and New Providence	$1,275,000	Rehab	51,000	6.00	Cast Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6689	North Operating Area	BERKELEY HEIGHTS	Pine Grove Road from Snyder Ave to the end	$281,000	Replace	1,405	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6690	North Operating Area	BERKELEY HEIGHTS	Berkshire Dr from Mountain Ave to end cap	$463,000	Replace	2,315	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6691	North Operating Area	BERKELEY HEIGHTS	Roosevelt Ave from Plainfield Ave to existing end	$209,000	Replace	1,045	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6692	North Operating Area	BERKELEY HEIGHTS	Wigham Place from Plainfield to End Cap	$49,875	Replace	285	6.00	Ductile Iron	1980's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6693	North Operating Area	BERKELEY HEIGHTS	Hamilton Ave from Park Ave to Princeton Ave	$171,500	Replace	980	6.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6694	North Operating Area	BERKELEY HEIGHTS	Dogwood Lane from Mountain Ave to Lenape Lane	$558,000	Replace	2,790	8.00	Ductile Iron	1950's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6695	North Operating Area	BERKELEY HEIGHTS	Lenape Lane from Dogwood Lan to Lorraine Dr	$288,000	Replace	1,440	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6696	North Operating Area	BERKELEY HEIGHTS	Elma Place from Beckler Place to Maple Ave	$132,000	Replace	660	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6697	North Operating Area	BERKELEY HEIGHTS	Baker Ave from Elma Place to Valve VBH-615 northwest of hydrant HBH-87	$83,000	Replace	415	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6698	North Operating Area	BERKELEY HEIGHTS	Hillside Ave from Timber Dr to Fern Pl	$449,000	Replace	2,245	8.00	Ductile Iron	1950's	6	Cast Iron	Water Quality	120	TBD		20
6699	North Operating Area	BERKELEY HEIGHTS	Holly Glen Lane N from Mountain Ave to Holly Glen Lane	$174,000	Replace	870	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30

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New Jersey American Water Company, Inc.
2015 Foundational Filing
Appendix C -Revised 8/13/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6700	North Operating Area	BERKELEY HEIGHTS	Holly Glen Lane from end cap east of Holly Glen Lane N to Cambridge Dr	$126,000	Replace	630	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6701	North Operating Area	BERKELEY HEIGHTS	Holly Glen Lane S from Holly Glen Lane to Pound Ct.	$292,000	Replace	1,410	8.00	Ductile Iron	1950's	6	Cast Iron	Water Quality	120	TBD		10
6702	North Operating Area	BERKELEY HEIGHTS	Cambridge Dr from Mountain Ave to Holly Glen Lane	$156,000	Replace	780	8.00	Ductile Iron	1950's	6	Cast Iron	Water Quality	120	TBD		10
6703	North Operating Area	BERKELEY HEIGHTS	Deep Dale Dr from Mountain Ave to end cap	$198,623	Replace	1,135	6.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6704	North Operating Area	BERKELEY HEIGHTS	Tanglewood Lane from Deep Dale Dr to end cap	$126,875	Replace	725	6.00	Ductile Iron	1950's	6	Cast Iron	Water Quality	120	TBD		10
6705	North Operating Area	BERKELEY HEIGHTS	Orchard Lane from Old Farm Rd to Emerson Lane	$351,000	Replace	1,755	8.00	Ductile Iron	1950's	6	Cast Iron	Water Quality	120	TBD		10
6708	North Operating Area	BERKELEY HEIGHTS	Forest Ave from Park Ave to Columbus Ave	$378,000	Replace	1,965	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6709	North Operating Area	BERKELEY HEIGHTS	Eason Ct. from Forest Ave to end cap	$75,250	Replace	430	6.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6710	North Operating Area	BERKELEY HEIGHTS	Cornell Ave from Mountain Ave to Hillcrest Ave	$215,000	Replace	1,075	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6766	North Operating Area	BERKELEY HEIGHTS	BERKELEY HEIGHTS - Berkeley Ave between Columbus & Park	$60,000	Replace	300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		20
6769	North Operating Area	BERKELEY HEIGHTS	BERKELEY HEIGHTS - Berkeley Av between Park and Columbus	$160,000	Replace	800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		10
6770	North Operating Area	BERKELEY HEIGHTS	BERKELEY HEIGHTS - Berkshire Drive from Mountain Ave to easement	$360,000	Replace	1,800	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6771	North Operating Area	BERKELEY HEIGHTS	BERKELEY HEIGHTS - Mountain Ave from Diamond Hill Rd to Park Ave	$3,150,000	Replace	14,000	12.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6772	North Operating Area	BERKELEY HEIGHTS	BERKELEY HEIGHTS - Park Ave from Euclid to Mountain	$840,000	Replace	4,200	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability	120	TBD		20
6773	North Operating Area	BERKELEY HEIGHTS	BERKELEY HEIGHTS - Park Av between Euclid and Plainfield	$360,000	Replace	1,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		20
6775	North Operating Area	BERKELEY HEIGHTS	BERKELEY HEIGHTS - Springfield Ave the New Providence line near Union Ave and the Long Hill Twp line	$2,137,500	Replace	9,500	12.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	2016Q4		90
93	North Operating Area	BERNARDS TWP	Bernards - Martinsville Road from Allen to Valley	$300,000	Replace	1,500	8.00	Ductile Iron	1940's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
339	North Operating Area	BERNARDS TWP	Bernards Twp - South Maple Ave, from Dukes to Prospect	$1,947,500	Replace	5,100	12.00	Ductile Iron	1980's	13	Ductile Iron	Safety and Reliability/Structural	120	TBD	Yes	10
355	North Operating Area	BERNARDS TWP	Bernards Twp - Haas Rd (between Stonehouse and Pond Hill)	$840,000	Replace	4,200	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
5536	North Operating Area	BERNARDS TWP	Prospect Avenue	$247,500	Replace	1,100	12.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6182	North Operating Area	BERNARDS TWP	CREST DRIVE	$380,000	Replace	1,900	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6283	North Operating Area	BERNARDS TWP	Fieldstone Dr from Morristown Rd to Morristown Road	$478,000	Replace	2,365	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6282	North Operating Area	BERNARDS TWP	Addison Dr from Arlington Rd to Warwick Lane	$319,000	Replace	1,095	8.00	Ductile Iron	1960's	8	Cast Iron	Water Quality	120	TBD		10
6283	North Operating Area	BERNARDS TWP	Franklin Dr. from Parkview to end cap	$111,125	Replace	635	6.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6284	North Operating Area	BERNARDS TWP	Thackeray Dr from Pond Hill Rd to Keats Rd	$259,000	Replace	1,265	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6285	North Operating Area	BERNARDS TWP	Twotord Terrace from Old Coach Rd to Victoria Drive	$577,000	Replace	2,885	8.00	Ductile Iron	1960's	8	Cast Iron	Water Quality	120	TBD		10
6286	North Operating Area	BERNARDS TWP	Center Dr from Mt. Airy Road to Gallopping Hill Road	$342,000	Replace	1,710	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6287	North Operating Area	BERNARDS TWP	Battle Hill Rd from Queen Anne Dr to Fairview Dr	$170,000	Replace	850	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6288	North Operating Area	BERNARDS TWP	Gerald Ave from Woods End Dr to Sturo Place	$429,000	Replace	2,145	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6289	North Operating Area	BERNARDS TWP	Woodstone Dr from Peachtree Rd to Cross Rd	$428,000	Replace	2,140	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6290	North Operating Area	BERNARDS TWP	Ronkin Ave from W. Henry Street to Cedar Street	$300,000	Replace	1,500	8.00	Ductile Iron	1960's	4	Cast Iron	Water Quality	120	TBD		20
6291	North Operating Area	BERNARDS TWP	Cedar Street from Ronkin Ave to S. Finley Ave	$112,000	Replace	560	8.00	Ductile Iron	1960's	4	Cast Iron	Water Quality	120	TBD		10
6292	North Operating Area	BERNARDS TWP	N. Finley Ave from Orchard Place to W. Oak Street	$968,375	Replace	4,215	12.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6293	North Operating Area	BERNARDS TWP	Allen St from Lee Place to N. Finley Ave	$196,000	Replace	980	8.00	Ductile Iron	1940's	4	Cast Iron	Water Quality	120	TBD		10
6294	North Operating Area	BERNARDS TWP	W. Oak Street from N. Aboard Ave to S. Finley Ave	$512,000	Replace	2,610	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6295	North Operating Area	BERNARDS TWP	Manchester Ave from Prospect Ave to S. Maple Ave	$420,000	Replace	2,100	12.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6296	North Operating Area	BERNARDS TWP	Mt. Airy Road from Pitt Hill Rd to Countryside Rd	$553,250	Replace	2,370	12.00	Ductile Iron	1970's	6	Cast Iron	Water Quality	120	TBD		20
6312	North Operating Area	BERNARDS TWP	MT AIRY RD BETWEEN MEEKER AND STACY	$342,500	Replace	1,700	12.00	Ductile Iron	1970's	8	Ductile Iron	System Flows and Pressure	120	TBD		30
6649	North Operating Area	BERNARDS TWP	Lyons Place from Lyons Rd to Valve VBER-2130 West of Hydrant HBER-730	$315,000	Replace	1,575	8.00	Ductile Iron	1930's	8	Cast Iron	Water Quality	120	TBD		10
6651	North Operating Area	BERNARDS TWP	Victoria Dr from Kensington Rd to Palmerston Dr	$274,000	Replace	1,370	8.00	Ductile Iron	1960's	6	Cast Iron	Water Quality	120	TBD		10
6652	North Operating Area	BERNARDS TWP	Granville Way from Kensington Rd to Palmerston Place	$237,000	Replace	1,185	8.00	Ductile Iron	1968's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6654	North Operating Area	BERNARDS TWP	Riverside Drive from Hilltop Rd to Lord Stirling Rd	$774,000	Replace	3,870	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6655	North Operating Area	BERNARDS TWP	Sherwood Dr from Lord Stirling Rd to end cal	$162,000	Replace	810	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6656	North Operating Area	BERNARDS TWP	Dury Lane from Sherwood Dr to Riverside Dr	$100,000	Replace	500	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6658	North Operating Area	BERNARDS TWP	Culbertson Rd from Spencer Rd to the end cap west of S. Alward Ave	$295,000	Replace	1,475	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6716	North Operating Area	BERNARDS TWP	BERNARDS TWP - Haas Rd between Pond Hill Rd and Haas Rd	$520,000	Replace	2,600	8.00	Ductile Iron	1968's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20

BPU Docket WR15060724

New Jersey American Water Company, Inc.
2013 Foundational Filing
Appendix C -Revised 8/13/2013

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6774	North Operating Area	BERNARDS TWP	BERNARDS TWP - Down Dr between Lake & Autumn	$240,000	Replace	1,300	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6776	North Operating Area	BERNARDS TWP	BERNARDS TWP - Allen Rd from Somerville Rd to north of the stream	$125,000	Rehab	100	12.00	Other	1980's	12	Ductile Iron	Safety and Reliability/Structural	120	TBD		20
6777	North Operating Area	BERNARDS TWP	BERNARDS TWP - Fairview Drive South from Lexington to Trinity	$260,000	Replace	1,300	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6778	North Operating Area	BERNARDS TWP	BERNARDS TWP - Fairview Drive South from Mt Airy to Fairview Dr East	$70,000	Replace	350	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6779	North Operating Area	BERNARDS TWP	BERNARDS TWP - Gerard Ave from Lyons Pl to Woods End Dr	$540,000	Replace	2,700	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6780	North Operating Area	BERNARDS TWP	BERNARDS TWP - Glen Av and Stonybrook - Glen Av from Madisonville to Stonybrook and Stonybrook and Stonybrook from Glen to dead end	$200,000	Replace	1,000	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
6781	North Operating Area	BERNARDS TWP	BERNARDS TWP - Juniper Way from South Maple to Manchester	$200,000	Replace	1,000	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
6782	North Operating Area	BERNARDS TWP	BERNARDS TWP - Lyons Rd from Lyons Pl to Gehra Dr	$12,900,000	Replace	6,400	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		30
6783	North Operating Area	BERNARDS TWP	BERNARDS TWP - Old Madisonville Rd from Madisonville to dead end	$122,500	Replace	700	6.00	Ductile Iron	Unknown	3	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6784	North Operating Area	BERNARDS TWP	BERNARDS TWP - Queen Anne Dr from Bottle Hill to west of Fairview Dr South	$360,000	Replace	1,800	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
6785	North Operating Area	BERNARDS TWP	BERNARDS TWP - Quincy Rd from Atlas Rd to Lyons Rd	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6786	North Operating Area	BERNARDS TWP	BERNARDS TWP - South Alward Ave from West Oak to Beech	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		10
6788	North Operating Area	BERNARDS TWP	BERNARDS TWP - South Finley Ave from Oak St to the Finley booster	$1,350,000	Replace	6,000	12.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
6790	North Operating Area	BERNARDS TWP	BERNARDS TWP - S Maple Ave from Milton to Owens	$360,000	Replace	1,800	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
6819	North Operating Area	BERNARDS TWP	BERNARDS TWP - Valley Rd from Passaic River (Long Hill Twp) to tank easement west of Elizabeth	$1,305,000	Replace	5,800	12.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6820	North Operating Area	BERNARDS TWP	BERNARDS TWP - Valley Rd from Martinsville Rd to Lyons / Church	$460,000	Replace	2,920	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6840	North Operating Area	BERNARDS TWP	BERNARDS TWP - Old Army Rd between Oak Ridge Rd and MEER 68 post Van Courtland Rd	$600,000	Replace	3,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Water Quality	120	TBD		10
7155	North Operating Area	BERNARDS TWP	Columbia Av RR crossing	$600,000	Replace	3,000	16.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability	120	2016Q2		20
6238	North Operating Area	BERNARDSVILLE	Olcott Rd from Anderson Hill Road to Childsworth Ave	$293,000	Replace	1,365	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6299	North Operating Area	BERNARDSVILLE	Old Fort Rd from Old Fort Rd to compressing the loop	$884,125	Replace	2,195	6.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6300	North Operating Area	BERNARDSVILLE	Amber Place from Mt. Airy Rd to Washington Ave	$613,000	Replace	3,065	8.00	Ductile Iron	1950's	8	Cast Iron	Water Quality	120	TBD		10
6301	North Operating Area	BERNARDSVILLE	Ann St from Pill Hill Rd to Dayton Crescent	$218,000	Replace	1,090	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6302	North Operating Area	BERNARDSVILLE	Dayton Crescent from intersection with Ann Street to South Street	$142,000	Replace	710	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6303	North Operating Area	BERNARDSVILLE	South Street from Dayton Crescent to Mt. Airy Rd	391,000	Replace	468	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6304	North Operating Area	BERNARDSVILLE	Martyham Road from Lloyd Rd to Chestnut Ave	$585,000	Replace	2,600	12.00	Ductile Iron	1950's	8	Cast Iron	System Flows and Pressure	120	TBD		20
6305	North Operating Area	BERNARDSVILLE	Anderson Rd from Chestnut Ave to Sassy Drive	$596,250	Replace	2,650	12.00	Ductile Iron	1960's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6306	North Operating Area	BERNARDSVILLE	Anderson Hill Rd from Olcott Ave to Mill Street	$368,125	Replace	725	12.00	Ductile Iron	1960's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6309	North Operating Area	BERNARDSVILLE	MT AIRY RD FROM PROSPECT TO MANE BADOR Bernardsville - MT AIRY RD PAL HILL/W.OAK to south st	$180,000	Replace	800	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	2016Q4		30
6321	North Operating Area	BERNARDSVILLE		$414,250	Replace	1,650	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	2016Q4		60
6836	North Operating Area	BERNARDSVILLE	BERNARDSVILLE - Old Army Road between Mullens and Oak Ridge booster	$472,500	Replace	2,100	12.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
6839	North Operating Area	BERNARDSVILLE	BERNARDSVILLE - Old Army Rd from Anderson Rd to Mullens	$280,000	Replace	1,400	8.00	Ductile Iron	Unknown	6	Asbestos Cement	Safety and Reliability	120	TBD		10
6838	North Operating Area	BERNARDSVILLE	BERNARDSVILLE - Old Fort Rd from Sorrey Dr around the whole circle and out Olcott to Old Army Rd	$600,000	Replace	3,000	8.00	Ductile Iron	Unknown	6	Asbestos Cement	Safety and Reliability	120	TBD		30
6834	North Operating Area	BERNARDSVILLE	BERNARDSVILLE - Town Lakes mains - especially Hull & Hillside	$910,000	Replace	3,200	6.00	Ductile Iron	Unknown	4	Cast Iron	Water Quality	120	TBD		20
69	Central Operating Area	BOUND BROOK BOROUGH	Bound Brook - Rossetter Ave from Talmadge to Main st small section of 4" pipe chokes flow to end	$225,000	Replace	1,000	12.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
1636	Central Operating Area	BOUND BROOK BOROUGH	Thompson Ave Main replacement	$900,000	Replace	1,700	8.00	Ductile Iron	1930's	Unknown	Unknown	System Flows and Pressure	120	TBD		30

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Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
5791	Central Operating Area	SOUTH BROOK BOROUGH	Vosseller Ave Main replacement	$200,000	Replace	748	8.00		1920's	6	Cast Iron	Water Quality	120	2016Q4		30
574	Coastal Operating Area	BRADLEY BEACH	Bradley Beach - Lorraine Fletcher Lake to Ocean Avenue	$367,900	Replace	2,100	8.00	Ductile Iron	1900's	6	Cement	Safety and Reliability/Structural	120	TBD	Yes	20
577	Coastal Operating Area	BRADLEY BEACH	Bradley Beach - McCabe, Ocean to Main Street	$525,000	Replace	3,000	8.00	Ductile Iron	1900's	6	Cement	Safety and Reliability/Structural	120	2018Q3	Yes	20
6045	Coastal Operating Area	BRADLEY BEACH	Bradley and Pacific Ave	$250,000	Replace	1,700	8.00	Ductile Iron	1930's	8	Cast Iron	Safety and Reliability	120	TBD		20
468	Coastal Operating Area	BRICK TWP	Brick - Ocean Drive	$67,500	Replace	450	8.00	Ductile Iron	1940's	2	Galvanized Steel	System Flows and Pressure	120	2016Q4	Yes	20
774	Coastal Operating Area	BRICK TWP	Brick Twp - Cummins St from Rt 35 N to terminus	$38,400	Replace	320	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
775	Coastal Operating Area	BRICK TWP	Brick Twp - Shell Rd from Rt 35 N to terminus	$51,600	Replace	430	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
776	Coastal Operating Area	BRICK TWP	Brick Twp - Elder St from Rt 35 N to terminus add 6" DI	$54,000	Replace	450	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD	Yes	10
764	Coastal Operating Area	BRICK TWP	Brick Twp - Bowline Ave from Rt 35 N to Sunset Ln	$31,600	Replace	180	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
7130	Coastal Operating Area	BRICK TWP	Cutter Ln (Rt 35 S to Terminus)	$240,000	Replace	1,220	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q1		20
7131	Coastal Operating Area	BRICK TWP	Barkentine Ln (Rt 35 S to Terminus)	$240,000	Replace	1,200	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q1		20
7132	Coastal Operating Area	BRICK TWP	Bregantine Ln (Rt 35 S to Terminus)	$230,000	Replace	1,150	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q1		20
70	Central Operating Area	BRIDGEWATER TWP	Bridgewater - Morgan left 23 to Union ave	$462,600	Replace	2,570	16.00	Ductile Iron	1960's	16	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
5690	Central Operating Area	BRIDGEWATER TWP	Concord Dr. main replacement	$4,000,000	Replace	3,600	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q3		20
5779	Central Operating Area	BRIDGEWATER TWP	Finderne ave 16" A/C main replacement	$400,000	Replace	1,300	16.00	Ductile Iron	1950's	16	Unknown	Safety and Reliability/Structural	120	2016Q4		20
5781	Central Operating Area	BRIDGEWATER TWP	Vosseller Ave Main Replacement	$400,000	Replace	1,800	8.00	Ductile Iron	1930's	6	Cast Iron	Water Quality	120	2016Q4		30
6479	Central Operating Area	BRIDGEWATER TWP	Evegreed Street Main Replacement	$123,000	Replace	920	8.00	Ductile Iron	1930's	Unknown	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
7065	Central Operating Area	BRIDGEWATER TWP	Horry Road/ Worter St. main replacement	$675,000	Replace	5,000	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
7066	Central Operating Area	BRIDGEWATER TWP	Marie Avenue Main replacement	$475,000	Replace	2,100	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
315	Southwest Operating Area	CAMDEN	Camden - Cambridge Avenue - River Road to Harrison Avenue	$228,000	Replace	1,200	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	2016Q3	Yes	30
316	Southwest Operating Area	CAMDEN	Camden - Cramer Street - 27th Street to 30th Street	$266,800	Replace	1,400	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	2016Q3	Yes	30
317	Southwest Operating Area	CAMDEN	Camden - Saunders Street - 27th Street to 30th Street	$228,000	Replace	1,200	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	2016Q3	Yes	30
320	Southwest Operating Area	CAMDEN	Camden- 24th Street, Harrison to Pierce. Duplicate covered under 2012.0303 2013	$48,000	Replace	400	8.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	40
5818	Southwest Operating Area	CAMDEN	Camden - North 37th Street - Westfield Avenue to Jersey Avenue	$228,000	Replace	1,200	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	2016Q3		30
5819	Southwest Operating Area	CAMDEN	Camden - North 38th Street - Westfield Avenue to Jersey Avenue	$228,000	Replace	1,200	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	2016Q2		30
5320	Southwest Operating Area	CAMDEN	Camden - Jersey Avenue - North 36th Street to North 38th Street	$90,000	Replace	470	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	2016Q2		30
5480	Southwest Operating Area	CAMDEN	Camden - North 20th Street - River Road to Harrison Avenue	$236,500	Replace	1,350	8.00	Ductile Iron	1930's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
5481	Southwest Operating Area	CAMDEN	Camden - North 21st Street - Mayes Avenue to Harrison Avenue	$342,000	Replace	2,000	8.00	Ductile Iron	1900's	4	Cast Iron	Relocation/Opportunity	120	2016Q2		30
5482	Southwest Operating Area	CAMDEN	Camden - River Road - 36th Street to 27th Street	$760,000	Replace	4,000	12.00	Ductile Iron	1900's	6	Cast Iron	Relocation/Opportunity	120	TBD		30
5825	Southwest Operating Area	CAMDEN	Camden - Harrison Avenue - North 28th Street to VCA-685	$138,700	Replace	730	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5826	Southwest Operating Area	CAMDEN	Camden - Wayne Avenue - North 27th Street to North 29th Street	$209,000	Replace	1,100	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5827	Southwest Operating Area	CAMDEN	Camden - Lincoln Avenue - North 27th Street to North 29th Street	$209,000	Replace	1,100	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5828	Southwest Operating Area	CAMDEN	Camden - Concord Avenue - North 27th Street to North 29th Street	$209,000	Replace	1,100	8.00	Ductile Iron	1900's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5829	Southwest Operating Area	CAMDEN	Camden - Mayes Avenue - North 27th Street to North 29th Street	$209,000	Replace	1,100	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5830	Southwest Operating Area	CAMDEN	Camden - Garfield Avenue - North 27th Street to North 29th Street	$209,000	Replace	1,100	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5831	Southwest Operating Area	CAMDEN	Camden - Arthur Avenue - North 27th Street to North 29th Street	$209,000	Replace	1,100	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5832	Southwest Operating Area	CAMDEN	Camden - Sherman Avenue - North 27th Street to North 29th Street	$304,000	Replace	1,600	8.00	Ductile Iron	2000's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5833	Southwest Operating Area	CAMDEN	Camden - North 30th Street - River Avenue to Cleveland Avenue	$266,000	Replace	14,000	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5834	Southwest Operating Area	CAMDEN	Camden - Lee Avenue - Harrison Avenue to Cleveland Avenue	$513,000	Replace	2,700	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5835	Southwest Operating Area	CAMDEN	Camden - North 33rd Street - Farragut Avenue to Cleveland Avenue	$589,000	Replace	3,100	8.00	Ductile Iron	1900's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		40
5836	Southwest Operating Area	CAMDEN	Camden - North 34th Street - Farragut Avenue to Cleveland Avenue	$551,000	Replace	2,900	8.00	Ductile Iron	1900's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30

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1838	Southwest Operating Area	CAMDEN	Camden - Thompson Street - North 28th Street to North 30th Street	$171,900	Replace	910	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1839	Southwest Operating Area	CAMDEN	Camden - North 29th Street - Pleasant Street to Mitchell Street	$128,250	Replace	675	8.00	Ductile Iron	1900's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
1845	Southwest Operating Area	CAMDEN	Camden - North 28th Street - Thompson Street to Cramer Street	$320,000	Replace	1,200	8.00	Ductile Iron	1900's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30
1846	Southwest Operating Area	CAMDEN	Camden - North Dudley Street / Morrison Street North 30th Street to Federal Street	$313,900	Replace	1,650	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1847	Southwest Operating Area	CAMDEN	Camden - Church Street - Westfield Avenue to Federal Street	$123,500	Replace	650	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1848	Southwest Operating Area	CAMDEN	Camden - North 35th Street - Lemuel Avenue to Fairfax Drive	$247,000	Replace	1,300	8.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
1849	Southwest Operating Area	CAMDEN	Camden - Pelham Place - North 32nd Street to North 34th Street	$114,000	Replace	600	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1850	Southwest Operating Area	CAMDEN	Camden - South 25th Street - Federal Street to Highland Avenue	$190,000	Replace	1,000	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
1851	Southwest Operating Area	CAMDEN	Camden - South 23rd Street - Federal Street to Highland Avenue	$307,800	Replace	1,620	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1856	Southwest Operating Area	CAMDEN	Camden - North 37th Street - Westford Avenue to Chestnut Avenue to North 38th Street	$290,700	Replace	1,530	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30
1857	Southwest Operating Area	CAMDEN	Camden - North 18th Street - Harrison Avenue to River Avenue	$251,750	Replace	1,325	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		10
1858	Southwest Operating Area	CAMDEN	Camden - Stewart Street - Haines Street to East State Street	$123,500	Replace	650	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1860	Southwest Operating Area	CAMDEN	Camden - River Avenue - North 27th Street to North 36th Street	$800,000	Replace	4,000	12.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		30
1861	Southwest Operating Area	CAMDEN	Camden - North 29th Street - River Avenue to HCA-48	$484,500	Replace	2,550	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
1862	Southwest Operating Area	CAMDEN	Camden - Sacks Street and South 26th Street Morton Avenue to Federal Street	$347,000	Replace	1,300	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		30
1864	Southwest Operating Area	CAMDEN	Camden - Morriel Avenue - North 36th Street to North 34th Street	$100,700	Replace	530	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1865	Southwest Operating Area	CAMDEN	Camden - North 34th Street - Morriel Avenue to Rosedale Avenue	$118,750	Replace	625	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1866	Southwest Operating Area	CAMDEN	Camden - River Avenue - East State Street to North 37th Street	$608,000	Replace	3,200	12.00	Ductile Iron	1920's	12	Cast Iron	Safety and Reliability/Structural	120	TBD		10
1867	Southwest Operating Area	CAMDEN	Camden - North 35th Street - Morriel Avenue to Rosedale Avenue	$118,200	Replace	590	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1868	Southwest Operating Area	CAMDEN	Camden - Rosedale Avenue - North 34th Street to North 35th Street	$47,500	Replace	250	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
1869	Southwest Operating Area	CAMDEN	Camden - Wayne Avenue - East State Street to 18th Street	$152,000	Replace	800	8.00	Ductile Iron	1920's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
1870	Southwest Operating Area	CAMDEN	Camden - Huron Avenue -27th Street to dead end east of 29th Street	$237,500	Replace	1,250	8.00	Ductile Iron	1910's	4	Cast Iron	Relocation/Opportunity	120	TBD		20
1871	Southwest Operating Area	CAMDEN	Camden - North 27th Street - River Ave to 10" HDPE inside 12" CI at RR bridge south of Sherman Avenue	$340,000	Replace	1,700	12.00	Ductile Iron	1900's	12	Cast Iron	Relocation/Opportunity	120	TBD		30
1872	Southwest Operating Area	CAMDEN	Camden - North 27th Street - High Street to 10" HDPE inside 12" CI at RR bridge near Pleasant St	$240,000	Replace	1,200	12.00	Ductile Iron	1900's	12	Cast Iron	Relocation/Opportunity	120	TBD		20
1873	Southwest Operating Area	CAMDEN	Camden - N 28th Street - Arthur Avenue to Concord Avenue	$142,500	Replace	750	6.00	Ductile Iron	1940's	2	Cast Iron	Relocation/Opportunity	120	TBD		30
1874	Southwest Operating Area	CAMDEN	Camden - N 35th St - existing 8" CI north of Harrison Ave to dead end south of River Ave	$133,000	Replace	700	8.00	Ductile Iron	1900's	6	Cast Iron	Relocation/Opportunity	120	TBD		30
1875	Southwest Operating Area	CAMDEN	Camden - Park Ave - 27th St to 29th St	$309,000	Replace	1,100	6.00	Ductile Iron	1930's	4	Cast Iron	Relocation/Opportunity	120	TBD		30
1876	Southwest Operating Area	CAMDEN	Camden - Tyler Ave - 27th St to 29th St	$209,000	Replace	1,100	8.00	Ductile Iron	1930's	6	Cast Iron	Relocation/Opportunity	120	TBD		30
1877	Southwest Operating Area	CAMDEN	Camden - Morton Ave - 12" in Federal St to 12" in Rosemont Ave	$720,000	Replace	3,600	12.00	Ductile Iron	1920's	8	Cast Iron	Relocation/Opportunity	120	TBD		30
1878	Southwest Operating Area	CAMDEN	Camden - S 27th St - 16" in Westfield Ave to 12" in Morton Ave	$380,000	Replace	2,000	12.00	Ductile Iron	1920's	6	Cast Iron	Relocation/Opportunity	120	TBD		30
1880	Southwest Operating Area	CAMDEN	Camden - E State St - River Ave to 12" main south of valve VCA-025	$130,000	Replace	650	12.00	Ductile Iron	1960's	8	Cast Iron	System Flows and Pressure	120	TBD		20
1881	Southwest Operating Area	CAMDEN	Camden - Bergen Avenue - Fortagut Avenue to Hayes Avenue	$486,400	Replace	2,560	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30

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ID	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
5862	Southwest Operating Area	CAMDEN	Camden - Beideman Ave - River Ave to Cleveland Ave and Cleveland Ave from Beideman Ave to N 32nd St	$294,500	Replace	1,550	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5884	Southwest Operating Area	CAMDEN	Camden - South 32nd Street - Fremont Ave to Highland Ave	$150,000	Replace	825	8.00	Ductile Iron	1870's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5885	Southwest Operating Area	CAMDEN	Camden - South Dudley Street - Federal Street to Fremont Avenue	$765,000	Replace	1,500	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5886	Southwest Operating Area	CAMDEN	Camden - Myrtle Street - Bond Blvd to Rosemont Avenue	$323,000	Replace	1,700	6.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5887	Southwest Operating Area	CAMDEN	Camden - Carmen Street - Morton Avenue to Bond Blvd	$294,500	Replace	1,350	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5888	Southwest Operating Area	CAMDEN	Camden - South 29th Street - Federal Street to Morton Avenue	$148,200	Replace	780	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5889	Southwest Operating Area	CAMDEN	Camden - Cooper Street - East State Street to HCA-204	$57,000	Replace	900	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5891	Southwest Operating Area	CAMDEN	Camden - Remington Street - North 32nd Street to North 34th Street	$114,000	Replace	600	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5892	Southwest Operating Area	CAMDEN	Camden - Rowe Street - North 32nd Street to North 35th Street	$171,000	Replace	900	4.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		20
5893	Southwest Operating Area	CAMDEN	Camden - Mitchell Street - North 32nd Street to North 34th Street	$114,000	Replace	600	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
5894	Southwest Operating Area	CAMDEN	Camden - Rosedale Avenue - North 33rd Street to North 36th Street	$117,800	Replace	620	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5895	Southwest Operating Area	CAMDEN	Camden - North 35th Street - Rosedale Avenue to Federal Street	$115,900	Replace	610	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
456	Southwest Operating Area	CARNEYS POINT	Carneys Point - I 295 Jack and Bore at Georgetown Road	$800,000	Replace	1,500	12.00	Ductile Iron	1960's	8	Steel	Relocation/Opportunity	120	TBD	Yes	10
5812	Southwest Operating Area	CARNEYS POINT	Carneys Point - Johnson Street - North Broadway to Division Street	$122,000	Replace	640	8.00	Ductile Iron	1910's	4	Cast Iron	Sustained Economic Growth	120	TBD		30
5818	Southwest Operating Area	CARNEYS POINT	Carneys Point - Birch Street - Coolidge Avenue to Conor Street	$66,500	Replace	350	8.00	Ductile Iron	2000's	1.25	PVC	System Flows and Pressure	120	2016Q1		30
36	North Operating Area	CHATHAM TWP	Chatham - River Rd (Henry to Club)	$240,000	Replace	1,200	6.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
5882	North Operating Area	CHATHAM TWP	Maple Street from School Ave to end	$170,000	Replace	850	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5894	North Operating Area	CHATHAM TWP	Lafayette Avenue from Southern Blvd to Pine Street	$787,500	Replace	3,500	12.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
3695	North Operating Area	CHATHAM TWP	Clean and Line - Chatham Twsp Lafayette Section approx. 29500 LF of CI main	$4,867,500	Rehab	29,500	6.00	Cast Iron	1940's	6	Cast Iron	Water Quality	120	2016Q1		30
6660	North Operating Area	CHATHAM TWP	Green Village Rd from Meyersville Rd to Shunpike Rd	$1,387,000	Replace	6,910	8.00	Ductile Iron	1948's	8	Cast Iron	Water Quality	120	TBD		10
6681	North Operating Area	CHATHAM TWP	Lenape Trail from Shunpike Rd to Lafayette Ave	$412,000	Replace	2,060	8.00	Ductile Iron	1950's	8	Asbestos Cement	Water Quality	120	TBD		10
6684	North Operating Area	CHATHAM TWP	Lafayette Ave from Pine Street to Watchung Ave	$466,675	Replace	2,075	12.00	Ductile Iron	1940's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6685	North Operating Area	CHATHAM TWP	Southern Blvd from Shunpike Rd to Woodmont Dr.	$1,134,250	Replace	5,050	12.00	Ductile Iron	1940's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		18
6686	North Operating Area	CHATHAM TWP	May Drive from Roe Avenue to Robert Dr	$493,000	Replace	2,465	6.00	Ductile Iron	1958's	8	Cast Iron	Water Quality	120	TBD		30
6687	North Operating Area	CHATHAM TWP	Heron Dr and Macovey Ave from end cap to Van Houten Ave.	$785,000	Replace	3,825	8.00	Ductile Iron	1960's	8	Cast Iron	Water Quality	120	TBD		10
6688	North Operating Area	CHATHAM TWP	Van Houten Ave from end cap West of HCT- 216 to Macovey Ave	$783,000	Replace	3,915	6.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6670	North Operating Area	CHATHAM TWP	Woodlawn Dr from Cypress Rd to Long Hill Lane	$76,125	Replace	495	6.00	Ductile Iron	1960's	2	Cast Iron	System Flows and Pressure	120	TBD		10
6675	North Operating Area	CHATHAM TWP	Chestnut Rd from the end cap to Fairmount Avenue	$121,300	Replace	618	4.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		10
6677	North Operating Area	CHATHAM TWP	Edgewood Rd from Shunpike Rd to end cap east of hydrant HCT-304	$210,000	Replace	1,100	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability	120	TBD		10
6678	North Operating Area	CHATHAM TWP	Fairfax Terrace from Edgewood Rd to Chatham Boro Fairfax Ter interconnect #3	$172,000	Replace	860	8.00	Ductile Iron	1948's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6679	North Operating Area	CHATHAM TWP	Maple Ave from School Ave to Lafayette Ave	$167,000	Replace	835	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6680	North Operating Area	CHATHAM TWP	School Ave from Floral Street to Maple Street	$170,000	Replace	850	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6681	North Operating Area	CHATHAM TWP	Roe Avenue from Southern Blvd to Watchung Ave	$736,875	Replace	3,275	12.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6682	North Operating Area	CHATHAM TWP	Overlook Rd from Farmdale Rd to Sandy Hill Rd	$199,000	Replace	995	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6683	North Operating Area	CHATHAM TWP	Warwick Rd from Farmdale Rd to Oak Hill Rd	$319,000	Replace	1,385	8.00	Ductile Iron	1950's	6	Cast Iron	Water Quality	120	TBD		10
6684	North Operating Area	CHATHAM TWP	Thornley Dr from Beech Ct to Glenmore Dr	$305,000	Replace	1,525	8.00	Ductile Iron	1970's	8	Cast Iron	Water Quality	120	TBD		10
6715	North Operating Area	CHATHAM TWP	CHATHAM - Rolling Hill Rd between Southern and Dale	$780,000	Replace	3,900	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability	120	TBD		10
6721	North Operating Area	CHATHAM TWP	CHATHAM TWP - Jay Rd from Southern Blvd to the cul de-sac	$297,500	Replace	1,700	6.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability	120	TBD		30
6854	North Operating Area	CHATHAM TWP	CHATHAM - Ormond Rd from cul-de-sac east of Henry to dead end west of Mountainside	$600,000	Replace	3,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		10

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6857	North Operating Area	CHATHAM TWP	CHATHAM - River Rd from Southern to Passaic	$540,000	Replace	2,700	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		20
6861	North Operating Area	CHATHAM TWP	CHATHAM - River Rd from Passaic to 60' west of HCT 160 (2000' east of Fairmount)	$960,000	Replace	4,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		20
6865	North Operating Area	CHATHAM TWP	CHATHAM - River Rd from Fairmount to Henry	$740,000	Replace	3,700	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		20
6895	North Operating Area	CHATHAM TWP	CHATHAM - Spring St from Lafayette to Dale	$280,000	Replace	1,400	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability	120	TBD		10
6902	North Operating Area	CHATHAM TWP	CHATHAM - Southern Blvd from River to Shunpike	$2,600,000	Replace	13,000	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	3016Q4		20
327	Southwest Operating Area	CHERRY HILL	Cherry Hill - West / East Kilburn Avenue - Berkshire Avenue to Edgemoor Road	$712,000	Replace	3,800	6.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
810	Southwest Operating Area	CHERRY HILL	Cherry Hill - Park Circle - Churchill Road to Churchill Road	$110,000	Replace	600	6.00	Ductile Iron	1950's	2.5	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
995	Southwest Operating Area	CHERRY HILL	Cherry Hill - Morris Drive and Morris Place - Larkspur Road to Springdale Road	$794,100	Replace	4,190	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
481	Southwest Operating Area	CHERRY HILL	Cherry Hill - Guilford Road - Croydon Drive to South Cropwell Road	$475,000	Replace	2,500	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
483	Southwest Operating Area	CHERRY HILL	Cherry Hill - Lamp Post Lane - Gatehouse Lane to Old Orchard Road	$570,000	Replace	3,000	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
484	Southwest Operating Area	CHERRY HILL	Cherry Hill - Lisa Lane - Huntington Drive to Kings Point Road	$142,500	Replace	750	6.00	Ductile Iron	1960's	Unknown	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
485	Southwest Operating Area	CHERRY HILL	Cherry Hill - Providencetown Road - Kresson Road to Old Town Road	$570,000	Replace	3,000	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
487	Southwest Operating Area	CHERRY HILL	Cherry Hill - Partridge Lane - Narrowgate Drive to Cropwell Road	$456,000	Replace	2,400	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
488	Southwest Operating Area	CHERRY HILL	Cherry Hill - Plymouth Drive - Old Town Road to Salem Road	$247,000	Replace	1,300	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
489	Southwest Operating Area	CHERRY HILL	Cherry Hill - North Riding Drive - VCH-6295 to Mattress Road (CR-673) - Including Loop	$456,000	Replace	2,500	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
490	Southwest Operating Area	CHERRY HILL	Cherry Hill - East Riding Drive and Millhouse Lane - between Kresson Road (CR-671) to VCH-6295	$760,000	Replace	3,900	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
494	Southwest Operating Area	CHERRY HILL	Cherry Hill - Wayside Drive - Peartree Road to Old Cartage Road	$209,000	Replace	1,100	6.00	Ductile Iron	1968's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
3328	Southwest Operating Area	CHERRY HILL	Cherry Hill - Mono Court - Off Charleston Circle	$37,000	Replace	300			1968's	2	Cast Iron	System Flows and Pressure	120	TBD		30
3330	Southwest Operating Area	CHERRY HILL	Cherry Hill - Utah Avenue - Kings Highway to Dead End	$87,400	Replace	450	6.00	Ductile Iron	1960's	2	Cast Iron	System Flows and Pressure	120	TBD		30
3673	Southwest Operating Area	CHERRY HILL	Cherry Hill - Coleman Avenue - Moore Avenue to Dead End	$76,000	Replace	400	6.00	Ductile Iron	1970's	2.25	Cast Iron	System Flows and Pressure	120	TBD		30
3691	Southwest Operating Area	CHERRY HILL	Cherry Hill - Charleston Road (A1 Project) - Barcroft Drive to White Oak Road	$68,400	Replace	360	8.00	Ductile Iron	1960's	6	Cast Iron	System Flows and Pressure	120	TBD		30
3829	Southwest Operating Area	CHERRY HILL	Cherry Hill - Bedford Avenue, Martin Avenue; Hollis Avenue; Graham Avenue, Sherwood Avenue - Mercer Street to Haddonfield Road	$259,350	Replace	1,365	4.00	Ductile Iron	1960's	2	Cast Iron	System Flows and Pressure	120	TBD		30
6617	Southwest Operating Area	CHERRY HILL	Cherry Hill - Jonewood Drive - Country Club to Lavender Hill	$150,000	Replace	800	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6618	Southwest Operating Area	CHERRY HILL	Cherry Hill - Queen Ann Road, Garwood Drive to Country Club Drive	$320,000	Replace	1,675	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
7168	Southwest Operating Area	CHERRY HILL	Cherry Hill - Brier Road - Off of Breakmead Drive	$27,000	Replace	180	4.00	Ductile Iron	1950's	2.25	Cast Iron	Safety and Reliability/Structural	120	TBD		30
7171	Southwest Operating Area	CHERRY HILL	Cherry Hill - North Valleybrook Road, West Valleybrook Road, Valleybrook Court - Haddonfield-Berlin Road (CR-561) to Ashbrook Road	$725,000	Replace	3,800	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
7173	Southwest Operating Area	CHERRY HILL	Cherry Hill - Partridge Lane EAST - Cropwell Road (CR-675) to Pentucket Drive	$83,300	Replace	2,460	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
7174	Southwest Operating Area	CHERRY HILL	Cherry Hill - Partridge Lane WEST - Pentucket Drive to Brick Ave	$475,000	Replace	2,500	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
7178	Southwest Operating Area	CHERRY HILL	Cherry Hill - Rymill Run; Rymill Terrace; Rymill Place - Partridge Lane to Partridge Lane	$350,400	Replace	2,920	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6280	North Operating Area	CHESTER BOROUGH	Route 206 well line replacement	$270,000	Replace	1,350	8.00	Concrete	1940's	1	Cast Iron	Safety and Reliability	120	TBD		20
6337	North Operating Area	CHESTER BOROUGH	Clean & line Chrome in Chester Borough	$3,250,000	Rehab	13,000	8.00	Ductile Iron	Unknown	Unknown	Cast Iron	Water Quality	120	TBD		20
347	Southwest Operating Area	CINNAMINSON	Cinnaminson - Golf Road - Greenwood Avenue South	$95,000	Replace	500	6.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability	120	TBD	Yes	10
496	Southwest Operating Area	CINNAMINSON	Cinnaminson - Bowdren Road and Chatham Court - Wayne Drive to Branch Pike	$665,000	Replace	2,660	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
523	Southwest Operating Area	CINNAMINSON	Cinnaminson - North Pompano Avenue - River Road to Delaware Avenue	$76,000	Replace	400	6.00	Ductile Iron	Pre-1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	20
304	Central Operating Area	CLARE TWP	Clark - Madison Hill Road - Cleaning and Lining	$750,000	Rehab	10,000	6.00	Other	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
616	Central Operating Area	CLARE TWP	Clark - Terminal Avenue	$60,000	Replace	240	16.00	Ductile Iron	Unknown	16	Ductile Iron	Safety and Reliability	120	TBD	Yes	0

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6622	Central Operating Area	CLARK TWP	Westfield Ave. (Madison Hill to Bartell Pl.)	$488,700	Replace	1,172	12.00	Ductile Iron	1920's	8	Cast Iron	System Flows and Pressure	120	TBD		30
6673	Central Operating Area	CLARK TWP	Cleaning & Lining	$1,050,000	Rehab	21,000	6.00	Cast Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6967	Central Operating Area	CLARK TWP	Alice Ln. (Caldwell to James)	$201,600	Replace	1,300	8.00	Ductile Iron	1960's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6968	Central Operating Area	CLARK TWP	Clauss Rd. (Schmidt to Bloke)	$184,000	Replace	920	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6969	Central Operating Area	CLARK TWP	Calladon Rd. (Sunset to James)	$371,800	Replace	1,859	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6970	Central Operating Area	CLARK TWP	Florence Dr. (Walnut to Walnut)	$336,800	Replace	1,693	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6971	Central Operating Area	CLARK TWP	Georgian Dr. (Rou to Sherwood)	$225,800	Replace	1,129	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6972	Central Operating Area	CLARK TWP	Grand St. (Brant to Dead End)	$128,000	Replace	640	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6973	Central Operating Area	CLARK TWP	Kathryn St. (Westfield to Dead End)	$375,000	Replace	1,875	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6974	Central Operating Area	CLARK TWP	Lupine Way (Mohawn to Port Ridge)	$168,200	Replace	826	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6975	Central Operating Area	CLARK TWP	Meadow Rd. (Lake to Shanhodges)	$507,800	Replace	2,539	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6976	Central Operating Area	CLARK TWP	Willow Way (Briar Heath to Briar Heath)	$331,600	Replace	1,658	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6977	Central Operating Area	CLARK TWP	Gerosi Dr. (Cul-de-sac #1)	$39,875	Replace	205	6.00	Ductile Iron	1980's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6978	Central Operating Area	CLARK TWP	Gerosi Dr. (Cul-de-sac #2)	$57,050	Replace	326	6.00	Ductile Iron	1980's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7062	Central Operating Area	CLARK TWP	Florence Dr.	$840,000	Replace	1,700	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
7063	Central Operating Area	CLARK TWP	Walnut Ave. (Florence Dr. to Florence Dr.)	$754,725	Replace	1,141	12.00	Galvanized Steel	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7064	Central Operating Area	CLARK TWP	Suburban Rd (Walnut to Florence)	$161,200	Replace	806	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6633	Central Operating Area	CRANFORD TWP	Linora Ave. (to Dead End)	$16,625	Replace	95	6.00	Ductile Iron	1958's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6685	Central Operating Area	CRANFORD TWP	Brookdale Pl. (Brookdale Rd. to Dead End)	$56,000	Replace	320	6.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6667	Central Operating Area	CRANFORD TWP	Victoria Ct (Brass Ln to Dead End)	$37,625	Replace	215	6.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6845	Central Operating Area	CRANFORD TWP	North Ave. (Galloway Hill Rd. to Carpenter Pl.)	$1,903,850	Rehab	8,458	12.00	Cast Iron	1900's	12	Cast Iron	System Flows and Pressure	120	TBD		30
6953	Central Operating Area	CRANFORD TWP	Wadsworth Terr. (Orange Ave. to Cranford Ave.)	$368,000	Replace	1,840	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6954	Central Operating Area	CRANFORD TWP	S. Union Ave. (Lexington to W. Lincoln)	$640,400	Replace	3,202	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6933	Central Operating Area	CRANFORD TWP	Retford Ave. (Lexington to W. Lincoln)	$421,600	Replace	2,108	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6956	Central Operating Area	CRANFORD TWP	Oak Ln (Manor to Dead End)	$318,000	Replace	2,590	8.00	Ductile Iron	1930's	8	Cast Iron	System Flows and Pressure	120	TBD		20
6957	Central Operating Area	CRANFORD TWP	Lenox Ave. (Casino to N. Union)	$185,800	Replace	929	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6958	Central Operating Area	CRANFORD TWP	W. Lenhame Dr. (Chester Lane to Lenhame)	$321,400	Replace	1,607	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6959	Central Operating Area	CRANFORD TWP	S. Lenhame Dr. (Denman to Walnut)	$367,800	Replace	1,839	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6960	Central Operating Area	CRANFORD TWP	Holly St. (Orchard to Springfield)	$364,400	Replace	1,822	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6961	Central Operating Area	CRANFORD TWP	Georgia St. (Fairfield to Lexington)	$277,200	Replace	1,386	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6962	Central Operating Area	CRANFORD TWP	Hyde Terr. (Tuxedo to Ha Union)	$112,200	Replace	561	8.00	Ductile Iron	1930's	8	Cast Iron	System Flows and Pressure	120	TBD		20
6963	Central Operating Area	CRANFORD TWP	Crane Pky. (Alexandr to Collins)	$199,000	Replace	1,995	8.00	Ductile Iron	1950's	8	Cast Iron	System Flows and Pressure	120	TBD		20
6964	Central Operating Area	CRANFORD TWP	Connecticut St. (Clark to Lexington)	$158,600	Replace	778	8.00	Ductile Iron	1950's	8	Cast Iron	System Flows and Pressure	120	TBD		30
6965	Central Operating Area	CRANFORD TWP	Carolina St (Fairfield to Lexington)	$372,800	Replace	1,364	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6966	Central Operating Area	CRANFORD TWP	Buchanan St. (Centennial to Dead End)	$163,600	Replace	818	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
582	Coastal Operating Area	DEAL	Deal- Phillips Ave. From Norwood to HOT-306	$250,000	Replace	1,000	12.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	2016Q4	Yes	20
583	Coastal Operating Area	DEAL	Deal- Railroad Ave. from Phillips to Brighton	$140,000	Replace	700	12.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	2016Q4	Yes	20
5493	Coastal Operating Area	DEAL	Deal - Main Replacement - Rumson ave Deal. From Norwood to end of street	$130,000	Replace	655	8.00	Ductile Iron	1940's	2	Galvanized Steel	Water Quality	120	2016Q4		20
849	Southwest Operating Area	DELRAN	Delran - Route 130 crossing at Haines Mill Road - at MacDonalds	$100,000	Replace	200	12.00	Ductile Iron	1950's	12	Steel	Safety and Reliability/Structural	120	2016Q1	Yes	30
649	Southwest Operating Area	DELRAN	Rancocas Creek NS Crossing	$8,000,000	Replace	2,950	16.00	HDPE	1950's	12	Cast Iron	Relocation/Opportunity	120	TBD	Yes	10
6993	Central Operating Area	DUNELLEN BOROUGH	1st St. (N Washington to Dead End)	$505,000	Replace	2,523	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6994	Central Operating Area	DUNELLEN BOROUGH	2nd St. (N Washington to Jefferson)	$325,800	Replace	1,629	6.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6995	Central Operating Area	DUNELLEN BOROUGH	Fairview Ave. (Walnut to Center)	$322,200	Replace	1,611	6.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6996	Central Operating Area	DUNELLEN BOROUGH	Jefferson Ave. (North to 1st)	$317,800	Replace	1,089	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6997	Central Operating Area	DUNELLEN BOROUGH	Madison Ave. (North to 1st)	$222,800	Replace	1,114	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6998	Central Operating Area	DUNELLEN BOROUGH	Oak Parkway (New Market to Maple)	$266,400	Replace	1,332	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6999	Central Operating Area	DUNELLEN BOROUGH	Orange St. (New Market to S. Washington)	$118,600	Replace	593	8.00	Ductile Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD		20
7000	Central Operating Area	DUNELLEN BOROUGH	N. Washington Ave. (North to 1st)	$219,000	Replace	1,095	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5995	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Bedford Court - Nottingham Way to Dead End	$95,000	Replace	500	4.00	Ductile Iron	1970's	2	PVC	System Flows and Pressure	120	TBD		30
5996	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Derby Circle (West) and Derby Circle (East) - Knightsbridge Road to Knightsbridge Road	$238,000	Replace	1,200	8.00	Ductile Iron	1970's	2	PVC	System Flows and Pressure	120	TBD		30
5997	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Kent Court - Lancashire Drive to Dead End	$47,500	Replace	250	4.00	Ductile Iron	1970's	2	PVC	System Flows and Pressure	120	TBD		30
5998	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Surrey Court - Lancashire Drive to Dead End	$47,500	Replace	250	4.00	Ductile Iron	1970's	2	PVC	Safety and Reliability/Structural	120	TBD		30
5999	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Lancashire Drive - Lancashire Drive to Dead End	$57,000	Replace	300	4.00	Ductile Iron	1970's	1	PVC	System Flows and Pressure	120	TBD		30
6000	Southwest Operating Area	EASTAMPTON TWP	Eastampton - York Circle - Nottingham Way to Nottingham Way	$85,500	Replace	450	4.00	Ductile Iron	1970's	2	PVC	System Flows and Pressure	120	TBD		30
6001	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Suffolk Court - Nottingham Way to Dead End	$190,000	Replace	1,000	4.00	Ductile Iron	1970's	3	PVC	System Flows and Pressure	120	TBD		30

BPU Docket WR15060724

New Jersey American Water Company, Inc.
2015 Foundational Filing
Appendix C -Revised 6/11/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	Initial Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6002	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Prince William Court - Nottingham Way to Dead End	$57,000	Replace	800	4.00	Ductile Iron	1970's	2	PVC	System Flows and Pressure	120	TBD		30
6003	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Stafford Court - Nottingham Way to Dead End	$66,500	Replace	350	4.00	Ductile Iron	1970's	3	PVC	System Flows and Pressure	120	TBD		30
6005	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Kinsley Court - Kingsley Road to Kinsley Road	$66,500	Replace	350	4.00	Ductile Iron	1970's	1	PVC	System Flows and Pressure	120	TBD		30
6006	Southwest Operating Area	EASTAMPTON TWP	Eastampton - Berwick Court - Nottingham Way to Dead End	$95,000	Replace	500	4.00	Ductile Iron	1970's	2	PVC	System Flows and Pressure	120	TBD		30
3337	Coastal Operating Area	EATONTOWN	Eatontown - Locust Ave main replacement	$102,000	Replace	680	6.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability	120	TBD		20
6419	Southwest Operating Area	EDGEWATER PARK	Edgewater Park - Chelsea Ave - Franklin Ave to Washington Ave	$190,000	Replace	1,000	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
7192	Central Operating Area	EDISON TWP	30" Valve Replacement @ Oak Tree Facility	$42,000	Replace	1	30.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
136	Coastal Operating Area	EGG HARBOR TWP	Egg Harbor Twp. - Cordova Ave - Bay Dr. - Blk. Horse Pike	$112,500	Replace	450	8.00	PVC	1920's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	10
137	Coastal Operating Area	EGG HARBOR TWP	Egg Harbor Twp. - Toledo Ave - Bay Dr. - Blk. Horse Pike	$93,750	Replace	375	8.00	PVC	1920's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	10
6941	Coastal Operating Area	EGG HARBOR TWP	Longport Somers Point Rd between Laynch Ave and 800' east of Anchorage Dr	$800,000	Replace	3,100	12.00	PVC	1970's	10	Ductile Iron	Safety and Reliability/Structural	120	TBD		20
7211	Coastal Operating Area	EGG HARBOR TWP	Zion Rd Bridge Phase I	$96,340	Replace	730	12.00	Ductile Iron	None Selected	None Selected	None Selected	Safety and Reliability/Structural	120	2016Q3		10
569	Coastal Operating Area	FAIR HAVEN	Woodland Dr - River Road to Linden	$300,000	Replace	2,000	8.00	Ductile Iron	1930's	2	Galvanized Steel	System Flows and Pressure	120	2016Q4	Yes	20
570	Coastal Operating Area	FAIR HAVEN	Brookside Ave - Woodlawn to Linden	$120,000	Replace	800	8.00	Ductile Iron	1930's	2	Galvanized Steel	System Flows and Pressure	120	2016Q4	Yes	20
571	Coastal Operating Area	FAIR HAVEN	Hillside Pl - Buena Vista to terminus	$105,000	Replace	700	8.00	Ductile Iron	1930's	2	Galvanized Steel	System Flows and Pressure	120	2016Q4	Yes	20
573	Coastal Operating Area	FAIR HAVEN	Fernon Street - Cedar to Nance Ave	$225,000	Replace	1,500	8.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	20
7052	Coastal Operating Area	FAIR HAVEN	Tyson	$113,000	Rehab	760	6.00	Other	1950's	6	Cast Iron	Water Quality	120	2016Q2		10
7239	Coastal Operating Area	FAIR HAVEN	Woodland Rd	$109,080	Replace	606	8.00	Ductile Iron	None Selected	None Selected	None Selected	System Flows and Pressure	120	2016Q6		10
7318	Coastal Operating Area	FAIR HAVEN	Chestnut Street Main Replacement	$142,500	Replace	950	8.00	Ductile Iron	1940's	3	Cast Iron	Water Quality	120	2016Q4		30
7219	Coastal Operating Area	FAIR HAVEN	1st St Main Replacement	$187,500	Replace	1,250	8.00	Cast Iron	1930's	2	Cast Iron	System Flows and Pressure	120	2016Q4		30
5488	Central Operating Area	FANWOOD	Paterson Rd.	$671,000	Replace	1,355	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	2016Q3		20
5489	Central Operating Area	FANWOOD	Forest Rd (Btw. Monroe and Midway)	$273,000	Replace	1,361	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	2016Q3		20
5468	Central Operating Area	FANWOOD	Fanwood Distribution System Improvements	$16,681,000	Base Project	90,000	6.00	Cast Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD		30
6421	Central Operating Area	FANWOOD	North Ave. (Terrill Rd to Midway)	$1,575,000	Replace	6,300	24.00	Ductile Iron	1920's	24	Cast Iron	Safety and Reliability/Structural	120	TBD		20
7001	Central Operating Area	FANWOOD	Beech Ave. (LaGrande to South)	$399,200	Replace	1,996	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7003	Central Operating Area	FANWOOD	Burns Way (Helen to S. Martine)	$312,200	Replace	1,561	8.00	Cast Iron	1970's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7004	Central Operating Area	FANWOOD	Forest Rd (Midway to North)	$367,000	Replace	1,333	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7005	Central Operating Area	FANWOOD	Russell Rd (Midway to North)	$400,400	Replace	2,002	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7006	Central Operating Area	FANWOOD	Woodland Ave (N. Martine to Dead end)	$432,409	Replace	1,113	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6214	North Operating Area	FAIR MILLS	DOUGLAS RD	$900,000	Replace	4,500	8.00	Ductile Iron	Unknown	3	Cast Iron	System Flows and Pressure	120	TBD		20
11	Central Operating Area	FRANKLIN TWP	Franklin - Nassau Street/Rom Griggs to Fort	$42,000	Replace	280	8.00	Ductile Iron	Pre-1900	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
13	Central Operating Area	FRANKLIN TWP	Franklin - Fort Street/Rom Cedar to Nassau	$112,500	Replace	750	8.00	Ductile Iron	Pre-1900	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
5383	Central Operating Area	FRANKLIN TWP	Franklin Twp. - Marcy Street Griggs St to Read	$350,000	Replace	2,240	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
5459	Central Operating Area	FRANKLIN TWP	Laurel Avenue 8" Main replacement	$350,000	Replace	1,000	8.00	Ductile Iron	1930's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
7058	Central Operating Area	FRENCHTOWN BOROUGH	10Th Street Main Replacement	$85,000	Replace	360	8.00	Ductile Iron	1900's	2	Galvanized Steel	Safety and Reliability/Structural	120	2016Q1		30
6936	Coastal Operating Area	GALLOWAY	Moss Mill Road between Rt 9 and Lake Meone (Historic Smithville Parking)	$314,000	Replace	570	16.00	Ductile Iron	1950's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
307	Central Operating Area	GARWOOD BOROUGH	Garwood/Cranford Rehab - Ph 3 25000 LF of Distribution mains S of Unami Park	$1,875,000	Rehab	25,000	6.00	Other	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
308	Central Operating Area	GARWOOD BOROUGH	Garwood/Cranford Rehab - Ph4 23000 LF of Distribution mains N of Unami Park	$1,725,000	Rehab	23,000	6.00	Other	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
630	Central Operating Area	GARWOOD BOROUGH	Garwood/Cranford Rehab - Ph3a 6,330 LF of 16" main along Clifton & Sycamore Ave	$1,481,000	Rehab	6,330	16.00	Other	1920's	16	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
691	Central Operating Area	GARWOOD BOROUGH	Garwood/Cranford Rehab - Ph 3a 7,600 LF of Distribution mains NE of Unami Park	$436,000	Rehab	7,600	6.00	Other	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
6827	Central Operating Area	GARWOOD BOROUGH	Willow Ave. (New St. to Dead End)	$42,000	Replace	240	6.00	Ductile Iron	1910's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6844	Central Operating Area	GARWOOD BOROUGH	North Ave (4th Ave. to Colfaxs Mill Rd.)	$1,164,975	Rehab	9,175	12.00	Cast Iron	1910's	12	Cast Iron	System Flows and Pressure	120	TBD		30
7007	Central Operating Area	GARWOOD BOROUGH	Locust Ave (Center to Dead End)	$278,000	Replace	1,390	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7008	Central Operating Area	GARWOOD BOROUGH	Myrtle Ave. (Center to Cranetown)	$522,400	Replace	2,612	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7009	Central Operating Area	GARWOOD BOROUGH	Willow Ave (Center to Dead End)	$479,000	Replace	2,395	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7010	Central Operating Area	GREEN BROOK TWP	Lenox Ave (Fitzrandolph to Highland)	$296,000	Replace	1,480	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7012	Central Operating Area	GREEN BROOK TWP	Mountain Pky (Blue Hills to Greenbrook)	$224,800	Replace	1,124	8.00	Ductile Iron	1930's	8	Cast Iron	System Flows and Pressure	120	TBD		20
851	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - Sycamore Street, 30th to Bellmawr, done in 2011	$930,000	Replace	2,000	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
420	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - East High Street, East Atlantic Avenue to White Horse Pike	$95,000	Replace	500	12.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20

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Id	District	Municipality	Project Title	Initial Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Associated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
5334	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - 4th Avenue - East Kings Highway to Highland Avenue	$855,000	Replace	4,500	8.00	Ductile Iron	1900's	4	Cement	Safety and Reliability	120	TBD		30
5957	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - North Park Avenue and Station Avenue - Green Street to White Horse Pike	$642,300	Replace	3,380	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		90
5958	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - South Park Avenue - Belmont Avenue to Station Avenue	$281,200	Replace	1,480	8.00	Ductile Iron	1900's	4	Cast Iron	Sustained Economic Growth	120	TBD		90
5959	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - 3rd Avenue - East Kings Highway to High Street	$511,100	Replace	2,690	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5960	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - 8th Avenue - Gordon Street to West High Street	$169,400	Replace	860	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5961	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - East High Street - White Horse Pike to 6th Avenue	$163,400	Replace	860	8.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD		90
5962	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - Norberth Avenue - Wyningfield Avenue to South Black Horse Pike	$139,200	Replace	680	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5963	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - Sylvan Drive and Courts (all) - Dallas Avenue to Clover Avenue	$512,000	Replace	2,800	8.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
7217	Southwest Operating Area	HADDON HEIGHTS	Haddon Heights - Green Street @ Atlantic Avenue (CR-729) - Railroad Crossing	$700,000	Replace	250	12.00	Ductile Iron	1900's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
5930	Southwest Operating Area	HADDON TWP	Haddon Township - Berwick Avenue - Black Horse Pike to Sand Spring	$266,000	Replace	1,400	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		90
5931	Southwest Operating Area	HADDON TWP	Haddon Township - Lincoln Avenue - Black Horse Pike to Dead End	$336,900	Replace	1,770	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		90
5933	Southwest Operating Area	HADDON TWP	Haddon Township - Delaware Avenue - Pershing Avenue to Marlborough Avenue	$265,000	Replace	1,300	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		90
5939	Southwest Operating Area	HADDON TWP	Haddon Township - Marlborough Avenue - Black Horse Pike to Nicholson Road	$541,300	Replace	2,860	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		90
5934	Southwest Operating Area	HADDON TWP	Haddon Township - New York Avenue - Nicholson Road to VHT-12983	$79,800	Replace	720	8.00	Ductile Iron	1930's	1.5	Cast Iron	System Flows and Pressure	120	TBD		30
5935	Southwest Operating Area	HADDON TWP	Haddon Township - Shelburne Avenue - Crescent Blvd to Dead End	$81,700	Replace	430	8.00	Ductile Iron	1930's	2	PVC	System Flows and Pressure	120	TBD		90
5119	Southwest Operating Area	HAMMONTON TWP	Hammonton - Marne Highway - Washington Street to Broad Street and Broad St, Marne Hwy to Egbert St	$500,000	Replace	2,500	12.00	Ductile Iron	1970's	8	Cast Iron	System Flows and Pressure	120	TBD		90
5139	Southwest Operating Area	HAMMONTON TWP	Hammonton - North Cumberland Ave - Marne Highway to MH45-3	$250,000	Replace	1,300	6.00	Ductile Iron	1950's	6	Asbestos Cement	Water Quality	120	TBD		20
5140	Southwest Operating Area	HAMMONTON TWP	Hammonton - 1st Street - North Cumberland Avenue to North Hunterdon Avenue	$95,000	Replace	500	6.00	Ductile Iron	1940's	4	Cast Iron	Water Quality	120	TBD		30
5541	Southwest Operating Area	HAMMONTON TWP	Hammonton - 2nd Street - North Hunterdon Avenue to Dead End	$171,000	Replace	900	6.00	Ductile Iron	1950's	4	Asbestos Cement	Water Quality	120	TBD		90
5542	Southwest Operating Area	HAMMONTON TWP	Hammonton - North Hunterdon Avenue - 2nd St to 3rd St and 3rd St from N Hunterdon Ave to N Cumberland Ave	$161,500	Replace	850	6.00	Ductile Iron	1940's	4	Asbestos Cement	Water Quality	120	TBD		30
6981	Southwest Operating Area	HAMMONTON TWP	Hammonton - North Cumberland Avenue - Marne Highway (CR 573) to Dead End	$247,000	Replace	1,300	8.00	Ductile Iron	1950's	6	Asbestos Cement	Water Quality	120	TBD		20
6982	Southwest Operating Area	HAMMONTON TWP	Hammonton - North Hunterdon Avenue - Marne Highway (CR 573) to Dead End	$209,000	Replace	1,100	8.00	Ductile Iron	1940's	6	Cast Iron	Water Quality	120	TBD		20
6986	Southwest Operating Area	HAMMONTON TWP	Mount Holly - South Cumberland Avenue - Marne Highway to Atlantic Avenue	$86,000	Replace	450	8.00	Ductile Iron	1940's	6	Cast Iron	Water Quality	120	TBD		20
6988	Southwest Operating Area	HAMMONTON TWP	Hammonton - South Hunterdon Avenue - Marne Highway (CR 573) to Atlantic Avenue	$133,500	Replace	850	8.00	Ductile Iron	1940's	6	Cast Iron	Water Quality	120	TBD		20
6684	North Operating Area	HARDING TWP	HARDING - Spring Valley Rd from Douglas to Meyersville	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
5417	Coastal Operating Area	HIGHLANDS	Highlands - Chestnut St / Oak St Replacement	$195,000	Replace	900	6.00	Ductile Iron	1940's	3	Galvanized Steel	Safety and Reliability	120	2016Q4		30
5426	Coastal Operating Area	HIGHLANDS	Highlands - Twin Light Main Replacement	$317,000	Replace	775	8.00	Ductile Iron	1940's	3	Cast Iron	Safety and Reliability	120	2016Q4		20
5841	Coastal Operating Area	HIGHLANDS	Linden Ave Main Replacement	$300,000	Replace	1,625	6.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	2016Q2		10
5843	Coastal Operating Area	HIGHLANDS	Waterwitch Ave Main Replacement	$78,750	Replace	525	8.00	Ductile Iron	1940's	8	Cast Iron	System Flows and Pressure	120	TBD		20
5859	Coastal Operating Area	HIGHLANDS	Huddy Ave Main Replacement	$210,000	Replace	1,400	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	2016Q3		10
5856	Coastal Operating Area	HIGHLANDS	Atlantic St Main Replacement	$142,500	Replace	950	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	2016Q4		20
5633	Central Operating Area	HILLSBOROUGH TWP	Taylor Ave from Duke Pkwy to Johanson Ave	$515,000	Replace	2,575	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
5634	Central Operating Area	HILLSBOROUGH TWP	Johanson Ave from Dukes Pkwy to Taylor Road	$715,000	Replace	3,575	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
5672	Central Operating Area	HILLSBOROUGH TWP	Kimberly Road from Dukes Pkwy to Johanson Ave	$300,000	Replace	1,000	8.00	Ductile Iron	Unknown	4	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
5673	Central Operating Area	HILLSBOROUGH TWP	Hammer Road from Taylor Ave to Claudle Road	$310,000	Replace	1,600	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
5670	Central Operating Area	HILLSBOROUGH TWP	Gait Road between Hammer Road and Johanson Ave	$130,000	Replace	600	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10

BPU Docket WR15060724

New Jersey American Water Company, Inc.
2015 Foundational Filing
Appendix C -Revised 8/18/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
5679	Central Operating Area	HILLSBOROUGH TWP	Claudia Road between Taylor Ave and Johanson Ave	$160,000	Replace	800	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
5680	Central Operating Area	HILLSBOROUGH TWP	Hawly Road between Taylor Ave and Johanson Ave	$140,000	Replace	700	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
5683	Central Operating Area	HILLSBOROUGH TWP	Cul-de-Sac near inter section of Taylor Ave and Johanson Ave	$50,000	Replace	250	6.00	Ductile Iron	1930's	4	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
5686	Central Operating Area	HILLSBOROUGH TWP	Dukes Pkwy between Taylor Ave and Johanson Ave	$303,750	Replace	1,350	12.00	Ductile Iron	1930's	10	Cast Iron	Safety and Reliability	120	TBD		10
5687	Central Operating Area	HILLSBOROUGH TWP	Dukes Pkwy from Johanson Ave to Dead End	$155,000	Replace	775	8.00	Ductile Iron	1930's	10	Cast Iron	Safety and Reliability	120	TBD		10
6491	Central Operating Area	HILLSIDE	Hillside Ave from Highland Ave to N Broad St.	$787,725	Replace	3,501	12.00	Ductile Iron	1910's	6	Cast Iron	Water Quality	120	2016Q1		30
6492	Central Operating Area	HILLSIDE	No. Broad St. Hillside from Hillside Ave to near Grumman Ave	$393,300	Replace	1,748	12.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	2016Q1		20
6505	Central Operating Area	HILLSIDE	Glenwood Ave from Eastern Pkwy to near hydrant HHSD 347	$122,000	Replace	610	12.00	Ductile Iron	1910's	6	Cast Iron	Water Quality	120	TBD		10
6507	Central Operating Area	HILLSIDE	Glenwood Ave from near valve VHSD-423 to hydrant HHSD 248	$80,000	Replace	400	12.00	Ductile Iron	Unknown	Unknown	Unknown	Water Quality	120	TBD		10
6510	Central Operating Area	HILLSIDE	Easement between Burnett St and Glenwood Ave	$22,000	Replace	110	12.00	Ductile Iron	1930's	6	Unknown	Water Quality	120	TBD		10
6516	Central Operating Area	HILLSIDE	Chestnut Ave from Hillside Ave to near valve VHSD-436	$202,000	Replace	1,010	16.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6517	Central Operating Area	HILLSIDE	Hillside Ave from Morrison St to Chestnut Ave	$100,000	Replace	500	16.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6542	Central Operating Area	HILLSIDE	Montgomery St from Hillside Ave to dead-end	$108,000	Replace	540	12.00	Ductile Iron	1940's	6	Unknown	System Flows and Pressure	120	TBD		10
6547	Central Operating Area	HILLSIDE	Florence Ave from Morrison St to Hillside Ave	$102,000	Replace	510	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6551	Central Operating Area	HILLSIDE	Bloy St from Rt 22 East to Long Ave	$34,000	Replace	170	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6552	Central Operating Area	HILLSIDE	Long Ave from Bloy St to Liberty Ave	$366,000	Replace	1,830	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6554	Central Operating Area	HILLSIDE	Morris Place from Clark St to dead-end	$136,000	Replace	619	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6555	Central Operating Area	HILLSIDE	Stanley Terrace from Oakland Terrace to dead-end.	$77,000	Replace	385	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6556	Central Operating Area	HILLSIDE	Orchard Terrace from hydrant HHSD-471 near Oakland Terrace to dead-end	$88,000	Replace	440	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6581	Central Operating Area	HILLSIDE	Howard St. (James St. to Dead End)	$36,750	Replace	210	6.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6596	Central Operating Area	HILLSIDE	Fairchild Pl. (Union to Dead End)	$58,450	Replace	334	6.00	Ductile Iron	1920's	4	Cast Iron	Water Quality	120	TBD		20
7013	Central Operating Area	HILLSIDE	Greenwood Terr. (Riverside to Lakeview)	$104,600	Replace	523	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7014	Central Operating Area	HILLSIDE	Marine Terr. (Riverside to Lakeview)	$88,400	Replace	442	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7015	Central Operating Area	HILLSIDE	Crystal Terr. (Riverside to Lakeview)	$43,200	Replace	376	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7016	Central Operating Area	HILLSIDE	Riverside Dr. (North to Elizabeth Line)	$197,080	Replace	985	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		10
352	Southwest Operating Area	HI-NELLA	Hillside - Pawnee Road - Minnetonka Road to Wykagyl Road	$95,000	Replace	500	8.00	Ductile Iron	1960's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
7337	Coastal Operating Area	HOWELL TWP	Replace main crossing Havens Bridge Road	$400,000	Replace	200	18.00	HDPE	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q3		30
5716	Coastal Operating Area	INTERLAKEN	Monmouth County Bridge O-33 Main Street and Deal Lake	$150,000	Replace	1,100	16.00	HDPE	1970's	16	Ductile Iron	Relocation/Opportunity	120	2016Q3		10
62	North Operating Area	IRVINGTON	Irvington - Chancellor Ave - Mount Vernon	$412,500	Replace	1,500	20.00	Ductile Iron	Unknown	12	Cast Iron	System Flows and Pressure	120	2016Q4	Yes	30
6722	North Operating Area	IRVINGTON	IRVINGTON - Essex St between Maple & Chancellor	$150,000	Replace	750	8.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability	120	TBD		10
6724	North Operating Area	IRVINGTON	IRVINGTON - Clinton Ave between Union & Bell	$35,000	Replace	200	6.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6879	North Operating Area	IRVINGTON	IRVINGTON - Mill Rd from Union to Stuyvesant	$360,000	Replace	1,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		30
6880	North Operating Area	IRVINGTON	IRVINGTON - Howard St between May & Hye	$180,000	Replace	900	8.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability	120	TBD		20
6881	North Operating Area	IRVINGTON	IRVINGTON - Western Parkway from Woodlawn to Grove	$585,080	Replace	2,600	12.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5723	Central Operating Area	JAMESBURG	Dayton Road Main Replacement	$350,000	Replace	1,500	8.00	Ductile Iron	1910's	4	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		30
5724	Central Operating Area	JAMESBURG	Rhode Hill Rd. main replacement	$250,000	Replace	1,000	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6424	Central Operating Area	JAMESBURG	Forsgate Dr from Maple Dr to East Rail Road Ave	$630,000	Replace	2,800	12.00	Ductile Iron	1940's	8	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6426	Central Operating Area	JAMESBURG	Half Acre Rd from Forsgate Dr to Fernwood Lane	$483,750	Replace	2,150	12.00	Ductile Iron	Unknown	8	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6427	Central Operating Area	JAMESBURG	Maple Dr from Half Acre Rd to Forsgate Dr	$235,000	Replace	1,175	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6428	Central Operating Area	JAMESBURG	Birchwood Road from Maple Dr to dead end	$175,000	Replace	875	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6429	Central Operating Area	JAMESBURG	Cedar Lane from Maple Dr to Birchwood Road	$80,000	Replace	400	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6430	Central Operating Area	JAMESBURG	Fernwood Lane from Half Acre Rd to Maple Drive	$160,000	Replace	800	6.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6432	Central Operating Area	JAMESBURG	Oakland Road from Half Acre Rd to Forsgate Drive	$300,000	Replace	1,500	8.00		1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6445	Central Operating Area	JAMESBURG	Woodland Road from Half Acre Road to Forsgate Drive	$335,000	Replace	1,675	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6468	Central Operating Area	JAMESBURG	Front Street in between Oakland Road and Gatzmer Ave	$190,000	Replace	950	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6469	Central Operating Area	JAMESBURG	Davison Ave from Hillside Ave to West Church Street	$310,000	Replace	1,550	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6470	Central Operating Area	JAMESBURG	West Church Street from Davison Ave to Gatzmer Ave	$65,000	Replace	325	6.00	Ductile Iron	1940's	4	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6471	Central Operating Area	JAMESBURG	Hillside Ave from Front Street to Davison Ave	$163,000	Replace	815	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6472	Central Operating Area	JAMESBURG	Hillside Ave from Davison Ave to Gatzmer Ave	$75,000	Replace	375	8.00	Ductile Iron	1940's	2	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6474	Central Operating Area	JAMESBURG	Pergola Ave from Forge Street to dead end	$580,000	Replace	2,900	6.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10

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6475	Central Operating Area	JAMESBURG	Gorge Street from Pergola Ave to dead end	$26,250	Replace	150	6.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6476	Central Operating Area	JAMESBURG	Walnut Street from Pergola Ave to dead end	$105,000	Replace	525	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6477	Central Operating Area	JAMESBURG	Buckelew Ave from Valve # VIB-348 to dead end	$580,000	Replace	2,900	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6478	Central Operating Area	JAMESBURG	Forge Street from Buckelew Ave to beyond valve # VIB-375	$200,000	Replace	1,000	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6479	Central Operating Area	JAMESBURG	Michael St from Buckelew Ave to dead end	$146,000	Replace	730	6.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6480	Central Operating Area	JAMESBURG	William Street from Buckelew Ave to dead ends (Both sides of Buckelew Ave)	$234,000	Replace	1,190	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6481	Central Operating Area	JAMESBURG	New Street from Buckelew Ave to dead end	$120,000	Replace	600	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6482	Central Operating Area	JAMESBURG	Merryott St from Buckelew Ave to dead end	$140,000	Replace	700	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6483	Central Operating Area	JAMESBURG	Little Brook Lane from Buckelew Ave to Grace Hill Road	$320,000	Replace	1,600	6.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6484	Central Operating Area	JAMESBURG	Grace Hill Road from Buckelew Ave to dead end	$175,000	Replace	875	8.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
6485	Central Operating Area	JAMESBURG	Travis Ct from Little Brook Lane to dead end	$52,500	Replace	300	6.00	Ductile Iron	1940's	6	Stove Pipe	Safety and Reliability/Structural	120	TBD		10
5376	Central Operating Area	KENILWORTH BOROUGH	Springfield Road (Rt. 22 to 36" @ Black Brook Park)	$295,000	Replace	1,471	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	2016Q1		20
5377	Central Operating Area	KENILWORTH BOROUGH	Springfield Rd. (36" @ Black Brook Park to Boright & Lafayette)	$664,000	Replace	3,317	6.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	2016Q1		20
5378	Central Operating Area	KENILWORTH BOROUGH	14th St. (Lafayette to Boulevard)	$545,000	Replace	2,272	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	2016Q2		20
6426	Central Operating Area	KENILWORTH BOROUGH	Passaic Ave (S. 23rd to S. 25th)	$100,000	Replace	500	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6626	Central Operating Area	KENILWORTH BOROUGH	S. 23rd St. (Newark to End of 4")	$91,600	Replace	439	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6628	Central Operating Area	KENILWORTH BOROUGH	Boulevard (Shady La. to N 8th St.)	$282,350	Replace	1,166	12.00	Ductile Iron	1930's	6	Unknown	System Flows and Pressure	120	TBD		20
6629	Central Operating Area	KENILWORTH BOROUGH	N. 8th St. (Boulevard to Sheridan Ave.)	$504,450	Replace	2,242	12.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6630	Central Operating Area	KENILWORTH BOROUGH	Sheridan Ave (N 8th to Dead End)	$50,400	Replace	252	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7017	Central Operating Area	KENILWORTH BOROUGH	N. 17th St (Monroe to Dead End)	$292,000	Replace	1,460	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7018	Central Operating Area	KENILWORTH BOROUGH	Fairlawn Ave. (Richfield to Bloomingdale)	$227,200	Replace	1,136	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7019	Central Operating Area	KENILWORTH BOROUGH	Market St. (Union to Woodland)	$106,000	Replace	530	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7020	Central Operating Area	KENILWORTH BOROUGH	Vernon Ave. (S. Michigan to Market)	$171,800	Replace	859	8.00	Ductile Iron	1930's	Unknown	Cast Iron	System Flows and Pressure	120	TBD		20
268	Coastal Operating Area	LAKEWOOD	Lakewood - E. Fifth Street (from Manetta Ave to start of Holly St)	$112,000	Replace	800	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	2016Q4	Yes	20
269	Coastal Operating Area	LAKEWOOD	Lakewood -Fifth Street (from Madison Ave to Clifton Ave)	$56,000	Replace	400	6.00	Ductile Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	2016Q4	Yes	20
271	Coastal Operating Area	LAKEWOOD	Lakewood -Lincoln Ave (from ___ to ___)	$120,000	Replace	800	8.00	Ductile Iron	1930's	8	Concrete	Relocation/Opportunity	120	2016Q4	Yes	20
273	Coastal Operating Area	LAKEWOOD	Lakewood -Maple Lane (from ___ to ___)	$150,000	Replace	200	10.00	Ductile Iron	Unknown	10	Cast Iron	Safety and Reliability	120	2016Q4	Yes	30
279	Coastal Operating Area	LAKEWOOD	Lakewood -Park Avenue 2nd street to Main street	$150,000	Replace	1,000	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	2016Q4	Yes	20
464	Coastal Operating Area	LAKEWOOD	Miller Road (from Hope Chapel Rd to Shady Lane Drive)	$349,000	Replace	2,300	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1	Yes	10
537	Coastal Operating Area	LAKEWOOD	Jamesburg Lake Street (from ___ to ___)	$200,000	Replace	300	8.00	Ductile Iron	1950's	6	Cast Iron	Relocation/Opportunity	120	TBD	Yes	30
6173	Coastal Operating Area	LAKEWOOD	Carey St from Lexington Ave to Squankum Rd	$383,000	Replace	1,929	8.00	Ductile Iron	1920's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		20
6174	Coastal Operating Area	LAKEWOOD	6th Street from Sixth Street Tank to Forest Ave ,then north to 7th St ,then east to Lexington	$490,000	Replace	2,450	12.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1		30
6175	Coastal Operating Area	LAKEWOOD	Lakewood Ave from 5th Street to 9th Street	$282,000	Replace	1,410	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6176	Coastal Operating Area	LAKEWOOD	Lexington Ave from 7th St to 1St Street	$430,000	Replace	2,150	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
6177	Coastal Operating Area	LAKEWOOD	5th Street from Lexington Ave to Mary's Lane	$284,000	Replace	1,430	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q1		20
6178	Coastal Operating Area	LAKEWOOD	13th Street from Monmouth Ave to Squankum Rd	$316,000	Replace	1,580	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		20
6179	Coastal Operating Area	LAKEWOOD	Cedar Bridge from Rt 9 to Dr. MLK Drive south to Pine St	$893,700	Replace	3,972	12.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability	120	2016Q4		20
6180	Coastal Operating Area	LAKEWOOD	Somerset St, Ridge, Manetta, E 5th St, School & Clover St from E 7th St to Laurel Ave	$1,113,750	Replace	4,950	12.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6181	Coastal Operating Area	LAKEWOOD	Carey St from Forest Ave to Lexington Ave	$374,000	Replace	1,880	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6187	Coastal Operating Area	LAKEWOOD	E. County Line Rd. from Clifton Ave to Lexington, then to Lexington to 11th St.	$550,000	Replace	2,200	16.00	Ductile Iron	Unknown	Unknown	Unknown	Sustained Economic Growth	120	TBD		10
6196	Coastal Operating Area	LAKEWOOD	Lexington Ave from 11th St. to 7th St., then in 7th to Monmouth Ave	$550,000	Replace	2,200	16.00	Ductile Iron	Unknown	Unknown	Unknown	Sustained Economic Growth	120	TBD		10
6200	Coastal Operating Area	LAKEWOOD	9th Street from Forest Ave to Lexington Ave	$366,000	Replace	1,830	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q1		10
6297	Coastal Operating Area	LAKEWOOD	W County Line Rd from Clifton Ave to Well No 6 discharge	$893,000	Replace	3,560	16.00	Ductile Iron	1950's	8	Asbestos Cement	Sustained Economic Growth	120	2016Q4		20
6307	Coastal Operating Area	LAKEWOOD	W County Line Rd from Well No 6 discharge to Hope Chapel Rd	$670,500	Replace	2,980	12.00	Ductile Iron	Unknown	Unknown	Unknown	Sustained Economic Growth	120	2016Q4		20
6310	Coastal Operating Area	LAKEWOOD	Holly Street from School Street to Ocean Avenue	$414,000	Replace	2,070	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6311	Coastal Operating Area	LAKEWOOD	Holly Street, Laurel Avenue & Pearl Street from Ocean Avenue to Ocean Avenue	$420,000	Replace	2,400	4.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		30
6312	Coastal Operating Area	LAKEWOOD	5th Street from Madison Avenue to Lexington Avenue	$254,000	Replace	1,270	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	2016Q1		10

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6637	Coastal Operating Area	LAKEWOOD	Route 88 - From Linden to existing 12" near valves VLE 8255, 8256	$390,000	Replace	1,450	12.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	2016Q3		20
6638	Coastal Operating Area	LAKEWOOD	9th Street - Lakewood Ave to Forest Ave	$345,000	Replace	1,725	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q1		20
6639	Coastal Operating Area	LAKEWOOD	8th Street - Lakewood Ave to Rt 9	$460,000	Replace	2,300	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1		20
6643	Coastal Operating Area	LAKEWOOD	6th Street - Lakewood Ave to Sixth Street Tank and Forest Ave to Rt 9	$412,000	Replace	2,060	6.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	2016Q3		20
6642	Coastal Operating Area	LAKEWOOD	5th Street - Lakewood Ave to Rt 9	$460,000	Replace	2,300	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	2016Q3		20
6648	Coastal Operating Area	LAKEWOOD	Sunset Road - From Central to James	$620,000	Replace	3,100	12.00	Ductile Iron	1930's	8	Unknown	Safety and Reliability/Structural	120	2016Q1		20
6819	Coastal Operating Area	LAKEWOOD	Forest Avenue from West County Line Road to 7th Street	$560,000	Replace	8,700	12.00	Ductile Iron	1930's	6	Asbestos Cement	System Flows and Pressure	120	2016Q4		20
6824	Coastal Operating Area	LAKEWOOD	Hope Chapel Road from W. County Line Road to 10th Street	$105,000	Replace	1,980	12.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	2016Q4		20
7196	Coastal Operating Area	LAKEWOOD	James St water stubs	$36,000	Replace	1	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
5935	Southwest Operating Area	LAUREL SPRINGS	Laurel Springs - Foxmeade Avenue - Stone Road to North White Horse Pike (Existing 6" Ductile Iron Main)	$304,000	Replace	1,600	8.00	Ductile Iron	1950's	4	Cast Iron	Water Quality	120	TBD		30
5936	Southwest Operating Area	LAUREL SPRINGS	Laurel Springs - Park Avenue - Stone Road to Vi-14489	$187,500	Replace	1,250	8.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5937	Southwest Operating Area	LAUREL SPRINGS	Laurel Springs - Walnut Avenue - Stone Road to Dead End	$382,000	Replace	2,000	8.00	Ductile Iron	1970's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5938	Southwest Operating Area	LAUREL SPRINGS	Laurel Springs - Tombelson Avenue - West Atlantic Avenue to Dead End	$318,500	Replace	1,650	8.00	Ductile Iron	1950's	4	Ductile Iron	System Flows and Pressure	120	TBD		30
6808	Southwest Operating Area	LAUREL SPRINGS	Laurel Springs - Glen Avenue - Stone Road to Lakeview Ave	$209,000	Replace	1,160	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
5946	Southwest Operating Area	LAWNSIDE	Lawnside - West Street - North Warwick Road to Dead End	$161,500	Replace	850	8.00	Ductile Iron	1980's	6	Ductile Iron	System Flows and Pressure	120	TBD		20
6809	Southwest Operating Area	LAWNSIDE	Warwick Road & Rt Turnpike	$1,000,000	Replace	500	12.00	HDPE	1950's	6	Steel	Safety and Reliability/Structural	120	2016Q1		20
300	Central Operating Area	LINDEN CITY	Tremley Point Main Replacement, Linden, Phase 1 - South Wood Avenue - 12" main from Grissell Road to American Cyanamide Conoco Phillips 12" main under all rock	$1,125,000	Replace	3,750	12.00	Ductile Iron	1910's	12	Cast Iron	Safety and Reliability/Structural	120	2016Q1	Yes	10
5529	Central Operating Area	LINDEN CITY	Woodlawn Ave.	$753,000	Replace	1,265	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q3		20
5568	Central Operating Area	LINDEN CITY	Emma Pl.	$104,000	Replace	537	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1		20
5572	Central Operating Area	LINDEN CITY	Gable Ln. (Stiles to Dead End)	$66,000	Replace	438	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1		30
5573	Central Operating Area	LINDEN CITY	Harding Ave. (W. 12th St. to W. 13th St.)	$153,000	Replace	775	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1		20
6075	Central Operating Area	LINDEN CITY	Tremley Point Main Replacement, Phase 2, Linden	$1,100,000	Replace	3,650	12.00		1910's	12	Cast Iron	Safety and Reliability/Structural	120	2016Q3		10
6077	Central Operating Area	LINDEN CITY	Tremley Point Main Replacement Phase 3 Linden	$475,000	Replace	2,250	12.00		1930's	12	Cast Iron	Safety and Reliability/Structural	120	2016Q3		10
6435	Central Operating Area	LINDEN CITY	Dorcas Pl. (Grier to Bedle)	$154,200	Replace	771	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6636	Central Operating Area	LINDEN CITY	Gilchrist Ave. (Grier to Elam)	$303,600	Replace	517	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6644	Central Operating Area	LINDEN CITY	Worth Ave. (Route 1 to Grier Ave.)	$128,000	Replace	640	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6645	Central Operating Area	LINDEN CITY	S. Wood Ave. (W. Stimpson to Cedar)	$90,000	Replace	450	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7021	Central Operating Area	LINDEN CITY	Bower St. (St. George to Hussa)	$444,800	Replace	3,324	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7022	Central Operating Area	LINDEN CITY	Brunswick Ave. (Park to Marcus Hill) Bayway Refinery	$720,000	Replace	3,200	12.00	Ductile Iron	1900's	12	Cast Iron	System Flows and Pressure	120	TBD		30
7023	Central Operating Area	LINDEN CITY	Cranford Ave. (St. George to Essex)	$468,800	Replace	2,344	8.00	Cast Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7024	Central Operating Area	LINDEN CITY	E. Curtis St. (Wood to Maple)	$154,800	Replace	1,774	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7025	Central Operating Area	LINDEN CITY	Orcutt St. (W. Curtis to W. Blanche)	$412,600	Replace	2,168	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		30
7026	Central Operating Area	LINDEN CITY	Dill Ave. (Grant to Park)	$347,600	Replace	1,738	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7027	Central Operating Area	LINDEN CITY	Grant St. (St. George to Milford)	$298,000	Replace	3,190	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5920	Southwest Operating Area	LINDENWOLD	Lindenwold - Columbia Avenue - Lake Blvd to Wade Avenue	$95,000	Replace	500	8.00	Ductile Iron	1970's	6	Ductile Iron	System Flows and Pressure	120	2016Q3		20
212	Coastal Operating Area	UNWOOD	Linwood - Shore Road - Between Ocean Heights Avenue & Garfield Avenue	$487,500	Replace	1,950	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
213	Coastal Operating Area	UNWOOD	Linwood - Shore Road - Between Garfield Avenue & Iona Avenue	$140,000	Replace	560	12.00	Ductile Iron	1930's	6	Asbestos Cement	System Flows and Pressure	120	TBD	Yes	10
214	Coastal Operating Area	UNWOOD	Linwood - Shore Road - Between Iona Avenue & Greenwich Avenue	$95,000	Replace	140	12.00	Ductile Iron	1920's	6	Ductile Iron	System Flows and Pressure	120	TBD	Yes	0
215	Coastal Operating Area	UNWOOD	Linwood - Shore Road - Between Greenwich Avenue & Seaview Avenue	$167,500	Replace	670	12.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
225	Coastal Operating Area	UNWOOD	Linwood - Ocean Heights Avenue - Between Shore Road & Wabash Avenue	$212,000	Replace	800	16.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
226	Coastal Operating Area	UNWOOD	Linwood - Ocean Heights Avenue - Between Wabash Avenue & Steelman Avenue	$317,500	Replace	820	16.00	Ductile Iron	1980's	8	Ductile Iron	System Flows and Pressure	120	TBD	Yes	0

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Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
337	Coastal Operating Area	LINWOOD	Linwood - Ocean Heights Avenue - Between Stockton Avenue & US Route 9	$237,900	Replace	860	16.00	Ductile Iron	1960's	8	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
5600	Coastal Operating Area	LINWOOD	Lane Avenue from Shore Road to VLW 530	$188,000	Replace	940	6.00	Ductile Iron	1950's	6	Asbestos Cement	Relocation/Opportunity	120	TBD		20
5607	Coastal Operating Area	LINWOOD	Down Drive from the end of the main to Franklin Boulevard	$196,000	Replace	980	6.00	Ductile Iron	1960's	6	Cast Iron	Relocation/Opportunity	120	TBD		10
6099	Coastal Operating Area	LINWOOD	Haines Avenue between New Road and Shore Road	$376,000	Replace	2,319	8.00	Ductile Iron	1910's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6460	Coastal Operating Area	LINWOOD	LIN Shore Road between Sapelow Ave and Devonshire Ave	$930,000	Replace	1,800	16.00	Ductile Iron	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6461	Coastal Operating Area	LINWOOD	LIN Patcong Avenue between Wabash Avenue and Shore Road	$220,000	Replace	880	16.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6462	Coastal Operating Area	LINWOOD	LIN Hamilton Avenue between New Rd and Patcong Ave	$450,000	Replace	1,800	16.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6485	Coastal Operating Area	LINWOOD	LIN Ehrlich Avenue between Shore Road and New Road	$381,250	Replace	2,525	16.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6503	Coastal Operating Area	LINWOOD	LIN Gloucester Avenue between Ocean Heights Ave and W end of Road	$240,000	Replace	1,200	12.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6537	Coastal Operating Area	LINWOOD	LIN Frances Avenue between US Rt 9 and Shore Road	$463,000	Replace	2,313	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6538	Coastal Operating Area	LINWOOD	LIN Garfield Ave between Shore Road and Wabash Avenue	$173,000	Replace	890	8.00	Ductile Iron	1910's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6539	Coastal Operating Area	LINWOOD	LIN Greenwich Avenue between Shore Road and Wabash Avenue	$318,800	Replace	860	8.00	Ductile Iron	1940's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6541	Coastal Operating Area	LINWOOD	LIN W. Sapelow Avenue between Shore Road and Wabash Avenue	$75,000	Replace	415	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6543	Coastal Operating Area	LINWOOD	LIN E. Sapelow Avenue between Shore Rd and Franklin Blvd	$123,500	Replace	700	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6544	Coastal Operating Area	LINWOOD	LIN Bellevue Ave between Shore Rd and Oak Ave	$125,000	Replace	390	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6545	Coastal Operating Area	LINWOOD	LIN W. Devonshire Ave between Shore Rd and Oak Avenue	$249,000	Replace	1,215	12.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6546	Coastal Operating Area	LINWOOD	LIN US Route 9 from Central Ave to Absecon Ave, Cleaning & Lining	$800,000	Rehab	4,623	12.00	Cast Iron	1960's	12	Cast Iron	Water Quality	120	TBD		20
6548	Coastal Operating Area	LINWOOD	LIN Barr Avenue between Maple Ave and Wabash Avenue & branch N on Wabash	$360,000	Replace	1,525	8.00	Ductile Iron	1990's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6549	Coastal Operating Area	LINWOOD	LIN Maple Avenue between US Rt 9 and Wilson Avenue	$152,000	Replace	760	8.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6550	Coastal Operating Area	LINWOOD	LIN Dove Avenue between Maple Avenue and Shore Road	$412,000	Replace	2,060	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6553	Coastal Operating Area	LINWOOD	LIN Shore Road from Devonshire Ave to Poplar Avenue	$442,500	Replace	2,650	16.00	Ductile Iron	1910's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6557	Coastal Operating Area	LINWOOD	LIN Shore Road between Poplar Avenue and E. Vernon Avenue	$867,500	Replace	5,550	16.00	Ductile Iron	1910's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6561	Coastal Operating Area	LINWOOD	LIN W. Vernon Avenue between Leeds Ave and Warren Ave	$229,000	Replace	1,115	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6829	Coastal Operating Area	LINWOOD	Morris Avenue between Wabash Avenue and End of Morris Ave	$55,000	Replace	260	4.00	Ductile Iron	1990's	2	Galvanized Steel	Water Quality	120	TBD		30
6835	Coastal Operating Area	LINWOOD	Bellevue Avenue between Wabash Ave and end of Bellevue	$40,000	Replace	260	4.00	Ductile Iron	1990's	2	Galvanized Steel	Water Quality	120	TBD		20
65	North Operating Area	LITTLE FALLS	Little Falls - Main Street from Montclair Ave to Route 23	$832,500	Replace	3,700	12.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	0
554	North Operating Area	LITTLE FALLS	Little Falls - E Main St from Paterson Ave to Browertown Rd	$928,000	Replace	3,700	16.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
5548	North Operating Area	LITTLE FALLS	Main St replacement (west end)	$472,500	Replace	2,100	12.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability	120	TBD		20
5549	North Operating Area	LITTLE FALLS	Long Hill Rd	$1,417,500	Replace	6,300	12.00	Ductile Iron	Unknown	4	Asbestos Cement	Safety and Reliability	120	TBD		10
5552	North Operating Area	LITTLE FALLS	Main St center portion	$832,500	Replace	3,700	12.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability	120	TBD		20
6739	North Operating Area	LITTLE FALLS	LITTLE FALLS - Montclair Ave from RR crossing to Oak Dr Cedar Grove	$180,000	Replace	900	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6799	North Operating Area	LITTLE FALLS	LITTLE FALLS - Hooch Rd from rt 46 to Longhill Rd	$380,000	Replace	1,900	8.00	Ductile Iron	Unknown	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		30
6743	North Operating Area	LITTLE FALLS	LITTLE FALLS - Stockcreek Rd from Overlook Ave to Long Hill Rd	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6744	North Operating Area	LITTLE FALLS	LITTLE FALLS - Overlook Ave from Lower Hooch Rd to Hooch Rd	$460,000	Replace	2,300	6.00	Ductile Iron	Unknown	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6745	North Operating Area	LITTLE FALLS	LITTLE FALLS - Villa Rd from Longhill Rd	$100,000	Replace	500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6746	North Operating Area	LITTLE FALLS	LITTLE FALLS - Walnut St between Union and Stevens Ave	$340,000	Replace	1,700	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10

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6747	North Operating Area	LITTLE FALLS	LITTLE FALLS - Wanaque Rd Between Prospect St and 1st ave	$370,000	Replace	1,850	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6748	North Operating Area	LITTLE FALLS	LITTLE FALLS - Zeliff Ave between Main St and Woodcliffe Ave	$250,000	Replace	1,250	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6836	North Operating Area	LITTLE FALLS	LITTLE FALLS - Woods Rd from Long Hill Rd to ROW	$280,000	Replace	1,400	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6882	North Operating Area	LITTLE FALLS	LITTLE FALLS - Donato Drive - entire loop, plus Paul, Pine and Elm	$592,000	Replace	2,960	8.00	Cast Iron	1950's	6	Cast Iron	Safety and Reliability	120	TBD		10
6883	North Operating Area	LITTLE FALLS	LITTLE FALLS - Loretta Dr from Bergen to town line	$90,000	Replace	450	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
250	Coastal Operating Area	LITTLE SILVER	Little Silver - Seven Bridges Road (from Little Silver Pt Rd to Holly Dr)	$180,000	Replace	600	8.00	Ductile Iron	1950's	6	Cast Iron	Relocation/Opportunity	120	TBD	Yes	10
5811	Coastal Operating Area	LITTLE SILVER	Crest Dr & Heights Terr Main Replacement	$348,750	Replace	2,325	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability	120	2016Q4		20
5812	Coastal Operating Area	LITTLE SILVER	Little Silver Pky Main Replacement	$183,750	Replace	1,225	8.00	Ductile Iron	1940's	3	Cast Iron	Safety and Reliability	120	TBD		20
5813	Coastal Operating Area	LITTLE SILVER	Sunnycrest Dr Main Replacement	$255,000	Replace	1,700	8.00	Ductile Iron	1970's	2	Cast Iron	System Flows and Pressure	120	TBD		10
5814	Coastal Operating Area	LITTLE SILVER	Winfield Dr Main Replacement	$154,500	Replace	1,030	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability	120	TBD		10
5815	Coastal Operating Area	LITTLE SILVER	N Lovett Ave Main Replacement	$153,750	Replace	1,025	8.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		20
5816	Coastal Operating Area	LITTLE SILVER	Woodland St Main Replacement	$105,000	Replace	700	6.00	Ductile Iron	1980's	2	Cast Iron	System Flows and Pressure	120	TBD		20
252	Coastal Operating Area	LONG BRANCH	Long Branch - Shore Drive (from Patten to Narragansett)	$450,000	Replace	1,600	16.00	PVC	1990's	16	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
261	Coastal Operating Area	LONG BRANCH	Long Branch - Morey Ave between Marshall and Ionmer	$32,500	Replace	150	8.00	PVC	1990's	6	Ductile Iron	Safety and Reliability/Structural	120	TBD	Yes	20
5722	Coastal Operating Area	LONG BRANCH	Long Branch - John Street from Hendrickson Ave to terminus	$145,000	Replace	600	8.00	Ductile Iron	1900's	2	Galvanized Steel	System Flows and Pressure	120	TBD		20
5822	Coastal Operating Area	LONG BRANCH	East St Main Replacement	$27,000	Replace	180	6.00	Ductile Iron	1930's	2	Ductile Iron	System Flows and Pressure	120	TBD		20
5913	Coastal Operating Area	LONG BRANCH	Vanderbuilt ave	$50,000	Replace	285	8.00	Ductile Iron	1920's	2	Steel	Safety and Reliability	120	TBD		30
5914	Coastal Operating Area	LONG BRANCH	Hulick Place	$152,000	Replace	750	8.00	Ductile Iron	Unknown	2	Galvanized Steel	Safety and Reliability	120	2016Q4		30
6467	Coastal Operating Area	LONG BRANCH	Sampson Place between Long Branch Avenue and James Street	$98,000	Replace	560	8.00	Ductile Iron	1920's	2	Galvanized Steel	Safety and Reliability	120	TBD		30
6468	Coastal Operating Area	LONG BRANCH	Wardell St Replace 2"	$100,000	Replace	650	6.00	Ductile Iron	1920's	2	Galvanized Steel	Water Quality	120	2016Q4		20
89	North Operating Area	LONG HILL TWP	Long Hill - High Street - Maple to Central	$300,000	Replace	1,500	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	0
5737	North Operating Area	LONG HILL TWP	Springfield Ave - Valley Rd - Rlung - Berkeley Longhill	$300,000	Replace	300	12.00	Ductile Iron	1930's	6	Steel	Safety and Reliability/Structural	120	TBD		30
6244	North Operating Area	LONG HILL TWP	Hillside Drive from Long Hill Rd to Lacey Ave	$156,000	Replace	780	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6500	North Operating Area	LONG HILL TWP	Long Hill Rd from Meyersville Rd to Hydrant HLH-84 east of Gillette Rd.	$949,500	Replace	4,220	12.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
6504	North Operating Area	LONG HILL TWP	Meyersville Rd from New Vernon Rd to Crestwood Rd	$462,000	Replace	2,310	8.00	Ductile Iron	1960's	8	Cast Iron	Water Quality	120	TBD		30
6506	North Operating Area	LONG HILL TWP	Passaic Ave from Valley Rd to Hydrant HLH-75 just South of Somerset St.	$370,000	Replace	1,850	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6523	North Operating Area	LONG HILL TWP	Union Street from dead end to Warren Ave	$312,000	Replace	1,560	8.00	Ductile Iron	Unknown	4	Cast Iron	System Flows and Pressure	120	TBD		20
6525	North Operating Area	LONG HILL TWP	Passaic Ave and North Ave from Somerset to end north of Chestnut St.	$275,000	Replace	1,375	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6526	North Operating Area	LONG HILL TWP	Essex St from Passaic Ave to Warren Ave	$395,000	Replace	1,975	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6528	North Operating Area	LONG HILL TWP	Mercer Street from Passaic Ave to end	$337,000	Replace	1,685	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6529	North Operating Area	LONG HILL TWP	Mercer Street from Passaic Ave to end	$327,000	Replace	1,635	4.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6533	North Operating Area	LONG HILL TWP	Railroad Ave from end to end	$174,125	Replace	995	6.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6534	North Operating Area	LONG HILL TWP	Pine Street from High Street to Dead end	$54,000	Replace	360	4.00	Ductile Iron	1930's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6535	North Operating Area	LONG HILL TWP	Chestnut Street from North Ave to Central Ave	$183,000	Replace	915	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6536	North Operating Area	LONG HILL TWP	Central Ave from Long Hill Rd to Chestnut St	$359,000	Replace	1,795	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6723	North Operating Area	LONG HILL TWP	Maple Av from St Joseph to Delaware	$170,000	Replace	850	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6749	North Operating Area	LONG HILL TWP	LONG HILL - Elm St from Central Ave	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6750	North Operating Area	LONG HILL TWP	LONG HILL - Forest Dr from Lupine	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6751	North Operating Area	LONG HILL TWP	LONG HILL - King Drive from Norwood Drive	$190,000	Replace	950	8.00	Cast Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6752	North Operating Area	LONG HILL TWP	LONG HILL - Madison St Morristown Rd	$230,000	Replace	1,150	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6754	North Operating Area	LONG HILL TWP	LONG HILL - Western Blvd from Valley to end	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6755	North Operating Area	LONG HILL TWP	LONG HILL - Winding Way from Chestnut St to High Street	$500,000	Replace	2,500	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6878	North Operating Area	LONG HILL TWP	LONG HILL - Oaks Rd from Basking Ridge Rd to Cross Hill Rd	$210,000	Replace	1,050	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability	120	TBD		10
7054	North Operating Area	LONG HILL TWP	Carlton Road, From White Bridge Rd. to Dogwood Terrace	$922,500	Replace	4,100	12.00	Ductile Iron	1970's	12	Cast Iron	Safety and Reliability/Structural	120	2016Q4		20
5510	Southwest Operating Area	LUMBERTON TWP	Lumberton - Creek Road - Main Street to HULM 45	$20,000	Replace	50	6.00	Ductile Iron	1970's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6010	Southwest Operating Area	LUMBERTON TWP	Lumberton - Ross Street - Chestnut Street to Main Street	$115,000	Replace	575	12.00	Ductile Iron	1970's	4	Cast Iron	System Flows and Pressure	120	TBD		30

BPU Docket WR15060724

New Jersey American Water Company, Inc.
2015 Foundational Filing
Appendix C Revised 6/15/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NBPW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6011	Southwest Operating Area	LUMBERTON TWP	Lumberton - Moore Street - Main Street to Chambers Street	$60,750	Replace	425	8.00	Ductile Iron	1970's	6	Cast Iron	System Flows and Pressure	120	TBD		90
6012	Southwest Operating Area	LUMBERTON TWP	Lumberton - Chambers Street - Chestnut Street to Moore Street	$85,500	Replace	450	8.00	Ductile Iron	1970's	4	Cast Iron	System Flows and Pressure	120	TBD		90
6019	Southwest Operating Area	LUMBERTON TWP	Lumberton - Sprout Spring Avenue - West South Avenue to Dead End	$190,000	Replace	1,000	6.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7189	Southwest Operating Area	MAGNOLIA	Magnolia - West Atlantic Avenue - West Brooke Avenue to West Evesham Avenue (CR 644)	$764,000	Replace	1,400	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1		90
362	Coastal Operating Area	MANTOLOKING	Mantoloking - Shell Road (from Rt 35 W to Terminus)	$30,000	Replace	800	6.00	Ductile Iron	1940's	3	Cast Iron	Relocation/Opportunity	120	TBD	Yes	10
367	Coastal Operating Area	MANTOLOKING	Mantoloking - Portuguo Lane (from Tide Pond Rd to Terminus)	$30,000	Replace	250	6.00	Ductile Iron	1950's	2	Galvanized Steel	Water Quality	120	2016Q4	Yes	10
810	Coastal Operating Area	MANTOLOKING	Mantoloking - Wherry Lane- from Tide Pond to Terminus	$30,000	Replace	250	6.00	Ductile Iron	1950's	2	Galvanized Steel	Water Quality	120	2016Q4	Yes	10
849	Coastal Operating Area	MANTOLOKING	Mantoloking - Barnegat Lane / Bay Ave	$0	Replace	2,000	12.00	Ductile Iron	Unknown	Unknown	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
786	Coastal Operating Area	MANTOLOKING	Mantoloking - Old Bridge St from Bay Ave to terminus (loop)	$21,200	Replace	210	6.00	Ductile Iron	1950's	2.5	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
71	Central Operating Area	MANVILLE BOROUGH	Manville - Finderne Ave south of Engrish CT bridge	$200,000	Replace	200	12.00	Steel	1960's	11	Galvanized Steel	Safety and Reliability	120	TBD	Yes	20
77	Central Operating Area	MANVILLE BOROUGH	Manville - S 6th Street/Roosevelt to Air port	$648,000	Replace	3,600	8.00	Ductile Iron	1930's	10	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	30
5495	Central Operating Area	MANVILLE BOROUGH	RR Place main replacement	$75,000	Replace	300	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		20
5770	Central Operating Area	MANVILLE BOROUGH	Curry St Main Replacement	$360,000	Replace	1,900	8.00	Ductile Iron	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		30
5771	Central Operating Area	MANVILLE BOROUGH	Roberts Avenue Main Replacement	$340,000	Replace	1,700	8.00	Ductile Iron	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		30
5772	Central Operating Area	MANVILLE BOROUGH	South Grosshamer St Main Replacement	$200,000	Replace	800	6.00	Ductile Iron	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q3		10
5773	Central Operating Area	MANVILLE BOROUGH	Central avenue Main Replacement	$100,000	Replace	500	6.00	Ductile Iron	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2018Q1		20
5774	Central Operating Area	MANVILLE BOROUGH	Fabio Ave Main Replacement	$270,000	Replace	1,200	8.00	Ductile Iron	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q3		30
5912	Central Operating Area	MANVILLE BOROUGH	Marion Place/ St John St Main Replacement	$160,000	Replace	700	8.00	Ductile Iron	1940's	4	Asbestos Cement	System Flows and Pressure	120	2016Q4		30
6161	Central Operating Area	MANVILLE BOROUGH	Oaks street Main replacement between Kennedy Blvd and Raritan Ave.	$300,000	Replace	1,360	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		30
6577	Central Operating Area	MARVILLE BOROUGH	Huff Ave @ Bridge St	$30,000	Replace	900	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	2016Q4		30
6759	Central Operating Area	MARVILLE BOROUGH	North 8th Ave	$125,000	Replace	560	8.00	Ductile Iron	1940's	4	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		30
6761	Central Operating Area	MARVILLE BOROUGH	North 6th Ave main replacement	$315,000	Replace	500	8.00	Ductile Iron	1940's	4	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		30
6763	Central Operating Area	MARVILLE BOROUGH	North 3th Ave main replacement	$102,000	Replace	450	8.00	Ductile Iron	1940's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
5703	North Operating Area	MAPLEWOOD	Hickory Drive - Garrett to Ridgewood	$230,000	Replace	1,150	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	2016Q4		30
5704	North Operating Area	MAPLEWOOD	Maplewood Ave - Jefferson to Parker	$192,000	Replace	850	12.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5705	North Operating Area	MAPLEWOOD	Maplewood Ave and Beech Pl - Maplewood Ave from Jefferson to Beech Pl and Beech Pl from Maplewood Ave to Woodland	$747,500	Replace	1,100	12.00	Ductile Iron	1910's	4	Ductile Iron	System Flows and Pressure	120	TBD		90
5706	North Operating Area	MAPLEWOOD	Maplewood Ave - Lenox Ave to Beech Place	$450,000	Replace	2,000	12.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	2016Q4		30
5712	North Operating Area	MAPLEWOOD	Mountain Ave from Ridgewood to Maplewood	$115,000	Replace	675	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6787	North Operating Area	MAPLEWOOD	Wyoming Historic District rehabilitation of cast iron water mains	$4,500,000	Rehab	30,000	6.00	Cast Iron	1910's	6	Cast Iron	Water Quality	120	2016Q1		20
6308	North Operating Area	MENDHAM BOROUGH	Prospect Street from Hilltop Rd to End	$281,750	Replace	1,610	6.00	Ductile Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD		20
6324	North Operating Area	MENDHAM BOROUGH	Hallstead Road from E. Main St to End	$281,750	Replace	1,610	6.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6327	North Operating Area	MENDHAM BOROUGH	Mountain Side Road from Mountain Ave to west of hydrant mark 175	$764,000	Replace	8,830	8.00	Ductile Iron	Unknown	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
6329	North Operating Area	MENDHAM BOROUGH	Maple Ave from Mountain Ave to Gorsbrant St	$193,000	Replace	1,961	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		20
6329	North Operating Area	MENDHAM BOROUGH	Gorsbrant St from Mountain Ave to Maple Ave	$260,000	Replace	1,300	8.00	Ductile Iron	Unknown	8	Asbestos Cement	Safety and Reliability	120	TBD		20
6330	North Operating Area	MENDHAM BOROUGH	East Main Street from Cold Hill Rd to Mountain Ave	$1,181,250	Replace	5,250	12.00	Ductile Iron	Unknown	6	Ductile Iron	System Flows and Pressure	120	TBD		20
6332	North Operating Area	MENDHAM BOROUGH	Sawyer Dr from Phoenix Dr to Dean Rd	$166,400	Replace	835	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6333	North Operating Area	MENDHAM BOROUGH	Rehab project- Herben Dr and Stanbrook Rd	$990,000	Rehab	6,600	8.00	Cast Iron	Unknown	8	Cast Iron	System Flows and Pressure	120	TBD		20
6334	North Operating Area	MENDHAM BOROUGH	Rehab project- area next to West Morris High School and Tempe Wick Rd	$1,990,000	Rehab	9,950	8.00	Cast Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6335	North Operating Area	MENDHAM BOROUGH	Rehab project- area next to West Morris High School and Tempe Wick Rd	$1,990,000	Rehab	9,950	8.00	Cast Iron	Unknown	8	Cast Iron	System Flows and Pressure	120	TBD		20
6339	North Operating Area	MENDHAM BOROUGH	Talmage Rd from Hilltop Road to Carey Lane	$1,350,125	Replace	6,925	12.00	Ductile Iron	Unknown	Unknown	Cast Iron	System Flows and Pressure	120	TBD		20
6340	North Operating Area	MENDHAM BOROUGH	Hilltop Rd from Talmage Rd to Bernardsville Rd	$1,641,250	Replace	6,565	16.00	Ductile Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD		20
6341	North Operating Area	MENDHAM BOROUGH	Horseshoe Bend Rd from Bernardsville Rd to Carey Lane	$1,428,750	Replace	6,350	12.00	Ductile Iron	Unknown	8	Asbestos Cement	System Flows and Pressure	120	TBD		10
6791	North Operating Area	MENDHAM BOROUGH	MENDHAM BOROUGH - Country Lane from Main St to Lake Dr	$330,000	Replace	1,650	8.00	Ductile Iron	Unknown	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		30
6792	North Operating Area	MENDHAM BOROUGH	MENDHAM BOROUGH - Hoffman Rd from Mountain Ave to Bowers	$160,000	Replace	800	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6793	North Operating Area	MENDHAM BOROUGH	MENDHAM BOROUGH - Mansfield Rd from Meade Ave	$80,000	Replace	400	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10

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New Jersey American Water Company, Inc.
2015 Foundational Filing
Appendix C -Revised 8/13/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	RIAM Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6830	North Operating Area	MENDHAM BOROUGH	MENDHAM TWP -Flora Farm Rd from Mountain Ave to Englewood Trail	$562,500	Replace	2,500	12.00	Ductile Iron	Unknown	12	Ductile Iron	Safety and Reliability/Structural	120	TBD		10
7026	North Operating Area	MENDHAM BOROUGH	Englewood Trail to Morrison Tank Road	$600,000	Replace	3,000	12.00	Other	1960's	12	Cast Iron	Safety and Reliability	120	TBD		90
6325	North Operating Area	MENDHAM TWP	Browning Court from Corey Lane to end	$265,500	Rehab	1,770	6.00	Cast Iron	Unknown	6	Cast Iron	Water Quality	120	TBD		10
6326	North Operating Area	MENDHAM TWP	Thackery Lane from Corey Lane to end	$309,000	Rehab	2,060	6.00	Cast Iron	Unknown	6	Cast Iron	Water Quality	120	TBD		10
6794	North Operating Area	MENDHAM TWP	MENDHAM TWP - Hilltop Cir from Deer Run to Cherry Lane	$900,000	Replace	4,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6795	North Operating Area	MENDHAM TWP	MENDHAM TWP - Englewood Trail from Deer Run to Farm Rd	$860,000	Replace	4,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
222	Coastal Operating Area	MIDDLE TWP	Middle Township - Mechanic Street - Between Magnolia Drive & Goshen Road (CM-8-4)	$175,000	Replace	700	12.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
223	Coastal Operating Area	MIDDLE TWP	Middle Township - Goshen Road - Between Mechanic Street & Hamons Avenue (CM-8-5)	$375,000	Replace	700	12.00	Ductile Iron	1950's	2	Galvanized Steel	System Flows and Pressure	120	TBD	Yes	10
242	Coastal Operating Area	MIDDLE TWP	Middle Township - Stone Harbor Blvd - Between Brighton Rd & Bayberry Drive	$100,000	Replace	400	16.00	Ductile Iron	1960's	6	Cast Iron	Relocation/Opportunity	120	TBD	Yes	40
5256	Coastal Operating Area	MIDDLE TWP	Valley Road between Pacific and End	$0	Replace	1,500	8.00	Ductile Iron	Unknown	2	Galvanized Steel	System Flows and Pressure	120	TBD		10
5257	Coastal Operating Area	MIDDLE TWP	Eldredge Road from Bennett Road to End	$300,000	Replace	1,500	8	Ductile Iron	1940's	6	ACP	Safety and Reliability/Structural	120	TBD		10
5608	Coastal Operating Area	MIDDLE TWP	Mechanic Street from 8 Inch CI to Dias Creek Road	$140,000	Replace	700	12.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		10
5609	Coastal Operating Area	MIDDLE TWP	Mechanic Street from the railroad tracks to North Boyd Street	$110,000	Replace	550	12.00	Ductile Iron	1980's	6	Cast Iron	System Flows and Pressure	120	TBD		10
5610	Coastal Operating Area	MIDDLE TWP	Mechanic Street from the 6-inch CI connection to Railroad Avenue	$54,000	Replace	270	12.00	Ductile Iron	2000's	6	Ductile Iron	System Flows and Pressure	120	TBD		10
5612	Coastal Operating Area	MIDDLE TWP	Goshen Road from Mechanic Street to the 3-inch connection	$150,000	Replace	750	12.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		10
5614	Coastal Operating Area	MIDDLE TWP	Dias Creek Road from Mechanic Street to Hand Avenue	$124,000	Replace	620	12.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		10
6133	Coastal Operating Area	MIDDLE TWP	MT - Atlantic Avenue between Boyd St and Route 9	$131,250	Replace	750	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6134	Coastal Operating Area	MIDDLE TWP	MT - Bennett Road between Route 9 and GSP	$294,250	Replace	1,950	8.00	Ductile Iron	1940's	6	Asbestos Cement	System Flows and Pressure	120	TBD		10
6135	Coastal Operating Area	MIDDLE TWP	MT - Boyd Street between Ramsay Place and Mechanic St	$162,750	Replace	930	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6136	Coastal Operating Area	MIDDLE TWP	MT - Boyd Street between Stites Ave and Pacific Ave	$250,250	Replace	1,430	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6138	Coastal Operating Area	MIDDLE TWP	MT - Douglass Rd between Bennett Rd and southern end of Douglass	$27,125	Replace	155	6.00	Ductile Iron	1980's	6	Ductile Iron	Safety and Reliability	120	TBD		10
6139	Coastal Operating Area	MIDDLE TWP	MT - Poplar Street between Mechanic St and Church St	$94,500	Replace	540	6.00	Ductile Iron	1970's	8	Asbestos Cement	System Flows and Pressure	120	TBD		20
6143	Coastal Operating Area	MIDDLE TWP	MT - Eldredge Road between Steel Rd and End of Eldredge	$105,000	Replace	600	6.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability	120	TBD		10
6143	Coastal Operating Area	MIDDLE TWP	MT - Fitch Road between Steel Rd and End of Fitch Rd	$122,500	Replace	700	6.00	Ductile Iron	1940's	6	Asbestos Cement	System Flows and Pressure	120	TBD		10
6144	Coastal Operating Area	MIDDLE TWP	MT - Steel Road between Hewitt Rd and End of Steel Rd	$36,750	Replace	210	6.00	Ductile Iron	1940's	8	Asbestos Cement	Safety and Reliability	120	TBD		10
6145	Coastal Operating Area	MIDDLE TWP	MT - Bennett Road between GSP and Fitch Rd	$383,100	Replace	940	8.00	Ductile Iron	1940's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6147	Coastal Operating Area	MIDDLE TWP	MT - Meridian Ln between Orbit Dr and End of Meridian	$63,000	Replace	360	6.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability	120	TBD		10
6152	Coastal Operating Area	MIDDLE TWP	MT - Orbit Lane between Route 9 and End of Orbit Ln loop	$229,250	Replace	1,310	8.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		10
6153	Coastal Operating Area	MIDDLE TWP	MT - Colonial Avenue between Route 9 and End of Colonial	$196,000	Replace	1,120	8.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		10
6155	Coastal Operating Area	MIDDLE TWP	MT - Stites Avenue between Boyd St and Main St	$33,250	Replace	190	8.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		10
6156	Coastal Operating Area	MIDDLE TWP	MT - Easy Street between Route 9 and End of Easy St	$120,750	Replace	690	8.00	Ductile Iron	1970's	8	Asbestos Cement	Safety and Reliability	120	TBD		10
5240	Central Operating Area	MIDDLESEX BOROUGH	Chestnut St. - From Raritan Ave, to C Street	$262,500	Replace	1,500	8.00	Ductile Iron	1950's	4	Cast Iron	Safety and Reliability/Structural	130	2016Q1	Yes	30
5243	Central Operating Area	MIDDLESEX BOROUGH	C Street from Chestnut St. to Ashland Ave	$141,400	Replace	700	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	130	2016Q1	Yes	20
580	Coastal Operating Area	MIDDLETOWN	Middletown - Campbell Avenue Bridge over Creek	$30,000	Replace	100	6.00	HDPE	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	10
598	Coastal Operating Area	MIDDLETOWN	Middletown - River Road, McClee's Brook	$280,000	Replace	800	12.00	HDPE	1980's	12	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
5301	Coastal Operating Area	MIDDLETOWN	Middletown - Bergen St Main Replacement	$161,250	Replace	1,075	6.00	Ductile Iron	1950's	2	Galvanized Steel	Safety and Reliability	120	TBD		30
5429	Coastal Operating Area	MIDDLETOWN	10th Street Main Replacement	$195,000	Replace	1,300	8.00	Ductile Iron	1950's	2	Galvanized Steel	Safety and Reliability	120	TBD		30
5468	Coastal Operating Area	MIDDLETOWN	Maplepark - Pine St Main Replacement	$129,000	Replace	860	6.00	Ductile Iron	1930's	2	Galvanized Steel	Relocation/Opportunity	120	TBD		20
1799	Coastal Operating Area	MIDDLETOWN	Vella Ave Main Replacement	$60,000	Replace	400	8.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability	120	2016Q4		20
1803	Coastal Operating Area	MIDDLETOWN	Summit Ave Main Replacement	$196,750	Replace	1,965	8.00	Ductile Iron	1930's	2	Galvanized Steel	System Flows and Pressure	120	TBD		30
1808	Coastal Operating Area	MIDDLETOWN	Appleton Ave Main Replacement	$150,000	Replace	1,000	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability	120	2016Q4		20
1817	Coastal Operating Area	MIDDLETOWN	Michigan Ave Main Replacement	$253,000	Replace	1,700	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability	120	2016Q4		30
1818	Coastal Operating Area	MIDDLETOWN	Montana Ave Main Replacement	$210,000	Replace	1,400	8.00	Ductile Iron	1940's	2	Cast Iron	System Flows and Pressure	120	2016Q4		30

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Appendix C -Revised 6/18/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	RAAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
5819	Coastal Operating Area	MIDDLETOWN	York Ave Main Replacement	$188,750	Replace	1,125	8.00	Ductile Iron	1930's	2.25	Cast Iron	System Flows and Pressure	120	TBD		20
5820	Coastal Operating Area	MIDDLETOWN	Wood Ave Main Replacement	$328,750	Replace	1,525	8.00	Ductile Iron	1930's	2	Cast Iron	System Flows and Pressure	120	TBD		30
5821	Coastal Operating Area	MIDDLETOWN	Georgia Ave Main Replacement	$84,000	Replace	560	8.00	Ductile Iron	1930's	2	Cast Iron	Safety and Reliability	120	TBD		20
5852	Coastal Operating Area	MIDDLETOWN	W Front Street Main Replacement (east)	$525,000	Replace	3,500	12.00	Ductile Iron	1940's	12	Cast Iron	Safety and Reliability	120	TBD		20
5900	Coastal Operating Area	MIDDLETOWN	Navesink River Road (west) Main Replacement	$600,000	Replace	2,900	12.00	Ductile Iron	1940's	12	Cast Iron	Safety and Reliability/Structural	120	TBD		20
7040	Coastal Operating Area	MIDDLETOWN	Lexington Ct Main Replacement	$150,000	Replace	1,000	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q4		30
7139	Coastal Operating Area	MIDDLETOWN	VMT 1043C & VMT 1042 Valve Replacement	$150,000	Replace	20	24.00	Ductile Iron	1960's	24	Concrete	Safety and Reliability/Structural	120	2016Q1		20
7168	Coastal Operating Area	MIDDLETOWN	Replace 2 36" Valves on East and Park	$300,000	Replace	20	36.00	Ductile Iron	1950's	36	PCCP	Safety and Reliability	120	2016Q1		10
40	North Operating Area	MILLBURN	Millburn - Browning Rd Tennyson to White Oak	$380,000	Replace	1,900	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
3709	North Operating Area	MILLBURN	Lawson Street from Sycamore Road to Wyoming Ave	$180,000	Replace	900	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		20
5710	North Operating Area	MILLBURN	Elm Street from Sycamore to Wyoming	$153,000	Replace	765	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		20
5711	North Operating Area	MILLBURN	Cedar Street from existing main between Sagamore and Wyoming	$90,000	Replace	450	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6183	North Operating Area	MILLBURN	ENGLEWOOD FROM WELLS TO PARK	$100,000	Replace	500	8.00	Ductile Iron	1900's	3	Cast Iron	System Flows and Pressure	120	TBD		30
6308	North Operating Area	MILLBURN	FIELDING MILLBURN	$91,000	Replace	570	6.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		10
6316	North Operating Area	MILLBURN	SHORT HILLS AVE	$10,000	Replace	100	8.00	Ductile Iron	1910's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
6790	North Operating Area	MILLBURN	Wyoming Historic District rehabilitation of unlined cast iron water mains	$4,500,000	Rehab	20,000	6.00	Cast Iron	1910's	6	Cast Iron	Water Quality	120	2016Q1		30
6796	North Operating Area	MILLBURN	MILLBURN - East Pine Terr from Blatuorst Way to Campbell Rd	$180,000	Replace	900	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6797	North Operating Area	MILLBURN	MILLBURN - Highview Rd from Hartshorn Dr and Fairbrook Dr	$220,000	Replace	1,100	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6799	North Operating Area	MILLBURN	MILLBURN - Knox Rd from Winthrop Rd	$460,000	Replace	2,300	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6800	North Operating Area	MILLBURN	MILLBURN - Silver Spring Rd from South Orange Ave to Old Short Hills Rd	$1,200,000	Replace	6,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6818	North Operating Area	MILLBURN	MILLBURN - White Oak Ridge Rd from Hobart Ave to the grade line	$460,000	Replace	2,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6831	North Operating Area	MILLBURN	MILLBURN - Hartshorn Dr from Highview Rd to Oakey Rd	$380,000	Replace	1,900	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6832	North Operating Area	MILLBURN	MILLBURN - Hartshorn Dr from Randall Dr to grade line	$420,000	Replace	2,100	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6834	North Operating Area	MILLBURN	MILLBURN - Highland Ave from Western Dr to Hobart Ave	$480,000	Replace	2,400	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6879	North Operating Area	MILLBURN	MILLBURN - Great Hills Rd from Old Short Hills to Wildwood	$380,000	Replace	1,400	8.00	Ductile Iron	1900's	6	Cast Iron	Safety and Reliability	120	TBD		10
6878	North Operating Area	MILLBURN	MILLBURN - Main St from Route 78 to Essex St	$680,000	Replace	3,400	8.00	Ductile Iron	Unknown	4	Cast Iron	Relocation/Opportunity	120	2016Q4		40
6887	North Operating Area	MILLBURN	MILLBURN - Old Short Hills Rd from Silver Spring grade line near Fox Hill	$740,000	Replace	3,700	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		30
6886	North Operating Area	MILLBURN	MILLBURN - Old Short Hills Rd from Parsonage Rd to Grade line near S Beechcroft	$520,000	Replace	2,600	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		20
6897	North Operating Area	MILLBURN	MILLBURN - Hobart from White Oak Ridge to Brentwood	$280,000	Replace	1,400	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		10
6898	North Operating Area	MILLBURN	MILLBURN - Hobart from South St to White Oak Ridge	$480,000	Replace	2,400	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability	120	TBD		20
6899	North Operating Area	MILLBURN	MILLBURN - Hobart from Highland to Stanton St	$170,000	Replace	850	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
6900	North Operating Area	MILLBURN	MILLBURN - Hobart from Old Short Hills Rd to Whitney	$230,000	Replace	1,100	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability	120	TBD		10
7055	North Operating Area	MILLBURN	Great Hills Rd from Wildwood to Holly Dr	$460,000	Replace	2,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Relocation/Opportunity	120	2016Q2		20
7111	North Operating Area	MILLBURN	Canoe Brook Rd Main Replacement	$182,000	Replace	910	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
5808	Coastal Operating Area	MONMOUTH BEACH	Griffin St Main Replacement	$225,000	Replace	1,500	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability	120	2016Q4		30
5805	Coastal Operating Area	MONMOUTH BEACH	Riverdale Ave Main Replacement	$352,000	Replace	2,350	12.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability	120	TBD		20
7137	Coastal Operating Area	MONMOUTH BEACH	Third Avenue from Wesley to Griffin, replace 3" galvanized	$90,000	Replace	300	8.00	Ductile Iron	1950's	3	Galvanized Steel	Safety and Reliability	120	2016Q1		20
400	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Chestnut Street - Washington Street to Easting 6"	$95,000	Replace	500	8.00	Ductile Iron	1950's	3	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
401	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Caley Avenue - Ridge Avenue to Cedar Street	$228,000	Replace	1,200	8.00	Ductile Iron	1960's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
5408	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Cherry Street - Ridgeway Street to Garden Street	$260,000	Replace	1,350	8.00	Ductile Iron	1910's	3	Cast Iron	Water Quality	120	TBD		30
5511	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Mount Holly Avenue - Mill Street to Ridgeway Street	$437,000	Replace	2,300	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		20

BPU Docket WR15060724

New Jersey American Water Company, Inc
2015 Foundational Filing
Appendix C -Revised 8/13/2013

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
5319	Southwest Operating Area	MOUNT HOLLY TWP	Mt Holly - Hydrants near intersection of Mill St and High St and intersection of Broad St and Buttonwood St	$30,000	Replace	150	6.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		90
5534	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly/Lumberton - Madison Avenue/Main Street - Washington Street to VLGM 585 (North of Elm Avenue)	$1,000,000	Replace	4,500	12.00	Ductile Iron	1920's	8	Cast Iron	System Flows and Pressure	120	TBD		90
5619	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Rancocas Road - High Street to existing 8" DI main west of hydrant HHATH-170 near Levis Drive	$700,000	Replace	3,500	12.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5536	Southwest Operating Area	MOUNT HOLLY TWP	Mt Holly - Jacksonville Rd - Stevens Dr to Broad St and Rancocas Valley Reg. H.S. driveway	$440,000	Replace	2,200	8.00	Ductile Iron	1930's	8	Cast Iron	System Flows and Pressure	120	TBD		90
5537	Southwest Operating Area	MOUNT HOLLY TWP	Mt Holly - Hydrants near intersection of Pine St and Hulme St	$30,000	Replace	150	6.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		20
5538	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Pine Street - Deerfield Avenue to East South Avenue	$190,000	Replace	950	12.00	Ductile Iron	1920's	8	Cast Iron	System Flows and Pressure	120	TBD		30
5620	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Marne Highway / Washington Street - Ring Street to Deacon Road	$1,200,000	Replace	5,200	16.00	Ductile Iron	1950's	8	Cast Iron	System Flows and Pressure	120	TBD		20
5349	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Atsmer Street - Washington Street to Arch Street and Arch Street from Rymer Street to Oak Street	$200,000	Replace	1,050	6.00	Ductile Iron	1940's	4	Cast Iron	Water Quality	120	TBD		20
5545	Southwest Operating Area	MOUNT HOLLY TWP	Mt. Holly / Homespart - Clean and line (or replace in kind) CI mains on multiple streets	$975,000	Rehab	6,500			1890's	6	Cast Iron	Water Quality	120	TBD		20
5840	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Green Street - Station to Millside Rd via Green St, Mill St, and Buttonwood St	$960,000	Replace	4,800	12.00	Ductile Iron	Pre 1900	12	Cast Iron	Safety and Reliability	120	TBD		90
5966	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Wesley Court - Hickory Street to Dead End	$37,000	Replace	300	4.00	Ductile Iron	1950's	3	Asbestos Cement	System Flows and Pressure	120	TBD		30
5967	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Windsor Place - Homestead Avenue to Dead End	$57,000	Replace	300	4.00	Ductile Iron	1950's	4	Asbestos Cement	System Flows and Pressure	120	TBD		90
5994	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Clover Street - Union Street to Garden Street	$173,000	Replace	900	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		90
6886	Southwest Operating Area	MOUNT HOLLY TWP	Mt. Holly - Clean and line neighborhood north of Green St Station	$1,575,000	Rehab	10,500			1920's	8	Cast Iron	Water Quality	120	TBD		20
6883	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - 3rd Street - North Hunterdon Avenue to North Cumberland Avenue	$104,500	Replace	550	8.00	Ductile Iron	1950's	2	Galvanized Steel	Water Quality	120	TBD		30
6904	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - 2nd Street - North Hunterdon Avenue to Dead End	$171,000	Replace	900	8.00	Ductile Iron	1950's	3	Asbestos Cement	Water Quality	120	TBD		30
6905	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - 1st Street - North Hunterdon Ave to North Cumberland Ave	$95,000	Replace	500	8.00	Ductile Iron	1940's	4	Cast Iron	Water Quality	120	TBD		30
6909	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Somerset Avenue, Hotaman Street, Carton Avenue - Washington Street to Washington Street	$247,000	Rehab	1,300	8.00	Ductile Iron	1908's	6	Cast Iron	Water Quality	120	TBD		20
6891	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Wapencott Lane and Eagle Avenue - Washington Street to Dead End	$294,500	Rehab	1,550	8.00	Ductile Iron	1930's	8	Cast Iron	Water Quality	120	TBD		30
6892	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Oak Street and Chestnut Street - Washington Street to VMATH-146	$190,000	Replace	1,000	8.00	Ductile Iron	1910's	4	Cast Iron	Water Quality	120	TBD		20
7011	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Maple Avenue (CR-687) - Marne Highway to Hydrant HHAS-7	$81,320	Replace	425	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		20
7201	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - Levis Drive - Rancocas Road (CR-638) to High Street (CR-691)	$495,400	Replace	2,600	8.00	Ductile Iron	1950's	8	Asbestos Cement	Sustained Economic Growth	120	TBD		20
7203	Southwest Operating Area	MOUNT HOLLY TWP	Mount Holly - North and South Morton Avenue - Levis Drive to Levis Drive	$423,600	Replace	1,760	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
5939	Southwest Operating Area	MT EPHRAIM	Mount Ephraim - Cleveland Avenue - West Kings Highway to Dead End	$210,500	Replace	1,150	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD		90
5940	Southwest Operating Area	MT EPHRAIM	Mount Ephraim - Jefferson Avenue - West Kings Highway to Dead End	$228,000	Replace	1,300	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
5941	Southwest Operating Area	MT EPHRAIM	Mount Ephraim - Hill Avenue - East Kings Highway to VMT-87	$121,600	Replace	640	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5942	Southwest Operating Area	MT EPHRAIM	Mount Ephraim - Lambert Avenue and Park Circle Drive - Station Avenue to VMT-378	$389,500	Replace	2,050	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5943	Southwest Operating Area	MT EPHRAIM	Mount Ephraim - Sedgefield Avenue - Bell Road to Dead End	$114,000	Replace	600	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6409	Southwest Operating Area	MT EPHRAIM	Mount Ephraim - Harding Avenue - West Kings Highway to Wenonah Avenue	$304,000	Replace	1,600	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20

id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Authorized Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
7154	Southwest Operating Area	MT EPHRAIM	Mount Ephraim - Grant Avenue - West Kings Highway (CR-551) to Bell Road	$2,500	Replace	2,600	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
116	Coastal Operating Area	NEPTUNE	Ocean Grove - Main St (from Beach to Ocean) & Ocean from Main to Pitman	$120,000	Replace	800	12.00	Ductile Iron	1908's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
117	Coastal Operating Area	NEPTUNE	Ocean Grove - Embury St. from Beach to Ocean	$105,000	Replace	700	12.00	Ductile Iron	1908's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
118	Coastal Operating Area	NEPTUNE	Ocean Grove - Mack Ave, Lawrence to Beach	$363,000	Replace	2,420	8.00	Ductile Iron	1908's	4	Cast Iron	System Flows and Pressure	120	2016Q1	Yes	30
258	Coastal Operating Area	NEPTUNE	Neptune - Hillside Road, from Brighton to terminus	$128,400	Replace	856	8.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
254	Coastal Operating Area	NEPTUNE	Neptune - Sodwell Ave (from Badge to Whitesville)	$120,000	Replace	800	8.00	Ductile Iron	1930's	6	Concrete	Safety and Reliability/Structural	120	TBD	Yes	30
581	Coastal Operating Area	NEPTUNE	Neptune - Prospect Avenue from Brighton to Oakdale and from Fairfield to Riverview	$525,000	Replace	3,500	8.00	Ductile Iron	1940's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
5146	Coastal Operating Area	NEPTUNE	Neptune - Central Ave Main Replacement	$624,872	Replace	3,600	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	2016Q3	Yes	20
5249	Coastal Operating Area	NEPTUNE	Neptune - Pennsylvania Ave Main Replacement	$474,437	Replace	2,600	8.00	Ductile Iron	1910's	8	Ductile Iron	Safety and Reliability	120	2016Q1	Yes	20
5972	Coastal Operating Area	NEPTUNE	Lakewood Rd	$900,000	Replace	4,000	12.00	Ductile Iron	Unknown	2	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
5975	Coastal Operating Area	NEPTUNE	Vernon Ave	$175,000	Replace	1,400	8.00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability	120	2016Q4		20
5976	Coastal Operating Area	NEPTUNE	McDermott Rd SRH	$214,000	Replace	1,740	8.00	Ductile Iron	1940's	3	Galvanized Steel	Safety and Reliability	120	2016Q4		30
5977	Coastal Operating Area	NEPTUNE	Robbins rd	$220,000	Replace	1,200	8.00	Ductile Iron	1930's	2	Cast Iron	System Flows and Pressure	120	TBD		20
5979	Coastal Operating Area	NEPTUNE	Schark Ave Neptune SRH	$120,000	Replace	675	6.00	Ductile Iron	1930's	2	Cast Iron	System Flows and Pressure	120	2016Q4		20
5980	Coastal Operating Area	NEPTUNE	Clayton ave	$150,000	Replace	850	8.00	Ductile Iron	1940's	4	Cast Iron	Water Quality	120	TBD		20
6023	Coastal Operating Area	NEPTUNE	Audrey Place	$78,000	Replace	400	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability	120	TBD		30
6037	Coastal Operating Area	NEPTUNE	Park PI Neptune SRH	$320,000	Replace	450	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability	120	2015Q4		30
6039	Coastal Operating Area	NEPTUNE	Elmwood Dr.	$125,000	Replace	700	6.00	Ductile Iron	1930's	2	Cast Iron	Safety and Reliability	120	TBD		20
6040	Coastal Operating Area	NEPTUNE	Larrabee DR.	$130,000	Replace	650	8.00	Ductile Iron	1920's	2	Cast Iron	Water Quality	120	TBD		20
6041	Coastal Operating Area	NEPTUNE	Cowan Rd	$296,000	Replace	1,350	8.00	Ductile Iron	1920's	2	Cast Iron	Safety and Reliability	120	TBD		20
6043	Coastal Operating Area	NEPTUNE	13th Ave	$175,000	Replace	1,000	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability	120	TBD		30
7041	Coastal Operating Area	NEPTUNE	Greenwood Ave Main Replacement	$60,000	Replace	400	6.00	Ductile Iron	1920's	2	Galvanized Steel	Safety and Reliability/Structural	120	2016Q3		30
7060	Coastal Operating Area	NEPTUNE	Lawrence Ave Main Replacement	$137,000	Replace	900	8.00	Ductile Iron	1920's	4	Cast Iron	Safety and Reliability	120	2016Q1		30
7196	Coastal Operating Area	NEPTUNE	Morrisey Road 6"CI main replacement	$163,500	Replace	1,090	6.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1		20
5628	Coastal Operating Area	NEPTUNE CITY	County Route (Memorial Dr) and Evergreen ave	$30,000	Replace	150	8.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5891	Coastal Operating Area	NEPTUNE CITY	Concourse	$480,000	Replace	2,400	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		20
5893	Coastal Operating Area	NEPTUNE CITY	Sterner Ave	$410,000	Replace	2,050	8.00	Ductile Iron	1920's	6	Steve Pipe	System Flows and Pressure	120	TBD		20
536	North Operating Area	NEW PROVIDENCE	New Providence - Livingston Ave. from Central to South of Greenwood Rd	$442,000	Replace	2,300	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
537	North Operating Area	NEW PROVIDENCE	New Providence - Livingston Ave from Central to Springfield Ave	$660,000	Replace	3,300	8.00	Ductile Iron	1940's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
6165	North Operating Area	NEW PROVIDENCE	Springfield Ave from Central Ave to Pine Way	$1,822,560	Replace	8,100	12.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6801	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - 6TH Ave from Livingston Ave	$70,000	Replace	350	8.00	Ductile Iron	Unknown	3	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6802	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Acorn Dr from Central Ave and Tall Oaks	$230,000	Replace	1,150	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6803	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Central Ave from South St to Springfield Ave	$1,100,000	Replace	5,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6804	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Central Ave from Maple to Brook Hollow	$440,000	Replace	2,200	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6805	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Coles Dr from South St to Springfield Ave	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6806	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Hawthorne Dr from Central Ave to Pearl St	$360,000	Replace	1,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6809	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Magnolia Dr from Springfield Ave to Valentine Rd	$250,000	Replace	1,250	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6812	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Passaic St from Springfield Ave to Commonwealth Ave	$560,000	Replace	2,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6813	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Pearl St from Central Ave to Fichler Pl	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6814	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Pine Ct from Pine Way	$100,000	Replace	500	8.00	Ductile Iron	Unknown	2	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6815	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Prospect View Ave from Livingston ave to Springfield Ave	$420,000	Replace	2,100	8.00	Ductile Iron	Unknown	Unknown	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6816	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Sunnymeade Pkwy from Springfield Ave and Ridgeview Ave	$440,000	Replace	2,200	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6817	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - South St from Dan Ct to Springfield Ave	$740,000	Replace	3,700	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6846	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - Southgate Rd from South St to Hathaway Dr	$360,000	Replace	1,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6847	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE - The Fairway from Maple St to Forest Rd	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10

BPU Docket WR15060724

New Jersey American Water Company, Inc.
2015 Foundational Filing
Appendix C - Revised 8/19/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NJAW Funded [dollars]	Project Type	Proposed Length [feet]	Proposed Dia. [inches]	Proposed Pipe Material	Decade Installed	Ex. Dia. [inches]	Existing Pipe Material	Aggregated Asset Investment Category	Project Duration	Estimated in Service Period	Previously Submitted for DPU Review	Rounded Weighted Score
6849	North Operating Area	NEW PROVIDENCE	NEW PROVIDENCE Walton Ave from Passaic St to Madden Pl	$440,000	Replace	2,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
311	Central Operating Area	NORTH PLAINFIELD BOROUGH	North Plainfield - Rehab	$1,125,000	Rehab	15,000	6.00	Other	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
6630	Central Operating Area	NORTH PLAINFIELD BOROUGH	Vorhees St (Sumner to Grandview)	$73,000	Replace	385	8.00	Ductile Iron	1910's	3	Cast Iron	System Flows and Pressure	120	TBD		20
6623	Central Operating Area	NORTH PLAINFIELD BOROUGH	Allen Pl (Fairview to Dead End)	$36,150	Replace	218	6.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7232	Central Operating Area	NORTH PLAINFIELD BOROUGH	Brook Ave (Meadowbrook Rd. to Dead End)	$51,900	Replace	296	6.00	Ductile Iron	None Selected	None Selected		Water Quality	120	TBD		10
7213	Central Operating Area	NORTH PLAINFIELD BOROUGH	Brook Ave (Meadowbrook Rd. to Dead End)	$51,900	Replace	296	6.00	Ductile Iron	1940's	2	Cast Iron	Water Quality	120	TBD		20
206	Coastal Operating Area	NORTHFIELD	Northfield - Tilton Road - Between Mill Road and Wabash Avenue (Tilton Moratorium ends 2013)	$187,000	Replace	680	8.00	Ductile Iron	1960's	2	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
207	Coastal Operating Area	NORTHFIELD	Northfield - Tilton Road - Between Wabash Avenue & Zion Road (Tilton Moratorium ends 2013)	$44,000	Replace	240	6.00	Ductile Iron	1970's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	0
3197	Coastal Operating Area	NORTHFIELD	Cove Avenue from Shore Road to end of Cove Avenue	$99,000	Replace	660	4.00	Ductile Iron	1910's	3	Cast Iron	Relocation/Opportunity	120	TBD		30
6101	Coastal Operating Area	NORTHFIELD	Zion Road between New Road and Wabash Avenue	$420,000	Replace	2,300	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6102	Coastal Operating Area	NORTHFIELD	Northfield Avenue between Zion Road and Shore Road	$162,750	Replace	1,050	8.00	Ductile Iron	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6338	Coastal Operating Area	NORTHFIELD	Nf - Shore Road between E. Vernon Ave and Mill Road	$778,750	Replace	5,113	16.00	Ductile Iron	1910's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6339	Coastal Operating Area	NORTHFIELD	Nf - Shore Road between Mill Road and Zion Road	$687,500	Replace	2,750	16.00	Ductile Iron	1910's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6340	Coastal Operating Area	NORTHFIELD	Nf - Shore Road between Zion Road and Dolphin Avenue	$767,500	Replace	2,910	16.00	Ductile Iron	1910's	8	Ductile Iron	Safety and Reliability/Structural	120	TBD		20
6362	Coastal Operating Area	NORTHFIELD	Nf - W. Oakcrest Avenue between US Rt 9 and Shore Road	$420,000	Replace	2,100	6.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6564	Coastal Operating Area	NORTHFIELD	Nf - W. Glencove Avenue between US Rt 9 and Wabash Avenue	$280,000	Replace	1,400	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6565	Coastal Operating Area	NORTHFIELD	Nf - W. Yorkshire Avenue between Shore Road and Wabash Ave	$146,000	Replace	730	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6566	Coastal Operating Area	NORTHFIELD	Nf - Roosevelt Avenue between US Rt 9 and Elton Road	$202,000	Replace	1,025	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6568	Coastal Operating Area	NORTHFIELD	Nf - Lake Ave/Ridge Ave between Evergreen Ave and Lee Fraser Dr	$240,000	Replace	1,200	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6570	Coastal Operating Area	NORTHFIELD	Nf - Chestnut Avenue between US Rt 9 and Maple Ave	$108,000	Replace	540	8.00	Ductile Iron	1930's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6573	Coastal Operating Area	NORTHFIELD	Nf - Spruce Ave between US Rt 9 and Maple Ave	$180,000	Replace	590	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6572	Coastal Operating Area	NORTHFIELD	Nf - Willow Drive between Tilton Road and Zion Road	$140,000	Replace	700	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6575	Coastal Operating Area	NORTHFIELD	Nf - Locust Drive between Tilton Road and Zion Road	$212,000	Replace	1,060	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6574	Coastal Operating Area	NORTHFIELD	Nf - Wabash Avenue between Tilton Road and Zion Road	$126,000	Replace	630	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6597	Coastal Operating Area	NORTHFIELD	Northfield Ave between Zion Road and Tilton Road	$170,000	Replace	850	8.00	Ductile Iron	1940's	6	Ductile Iron	Safety and Reliability/Structural	130	TBD		10
6601	Coastal Operating Area	NORTHFIELD	Infield Avenue between Tilton Rd and Wabash Ave	$183,000	Replace	915	12.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6602	Coastal Operating Area	NORTHFIELD	1st Street between Infield Avenue and Dows Avenue	$132,000	Replace	660	12.00	Ductile Iron	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6908	Coastal Operating Area	NORTHFIELD	US Route 9 between Central Ave and Cedar Bridge, Clean and Line	$450,000	Rehab	8,385	12.00	Cast Iron	1940's	12	Cast Iron	Water Quality	120	TBD		30
6816	Coastal Operating Area	NORTHFIELD	County Club Drive, Circle Dr & Heather Dr Main Replacements	$325,000	Replace	1,300	8.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6817	Coastal Operating Area	NORTHFIELD	Bonnie Lee Dr between County Club Dr and Heather Dr	$95,600	Replace	530	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
7002	Coastal Operating Area	NORTHFIELD	Mill Road between Maple Run Bridge and Palmer Dr, County Paving	$700,000	Replace	3,500	12.00	Ductile Iron	1930's	18	Cast Iron	Safety and Reliability/Structural	120	TBD		30
363	Southwest Operating Area	OAKLYN	Oaklyn - Kendall Blvd - Black Horse Pike to Goff Avenue	$413,000	Replace	2,700	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
5348	Southwest Operating Area	OAKLYN	Oaklyn - Manor Avenue - West Clinton Avenue to Dead End and Goff Avenue	$399,000	Replace	2,100	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
5721	Southwest Operating Area	OAKLYN	Oaklyn - Reading Avenue - Hillcrest Avenue to Wentworth Avenue	$266,000	Replace	1,400	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		30

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Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
5726	Southwest Operating Area	OAKLYN	Oaklyn West Park Avenue Manor Avenue to Maple Avenue	$193,800	Replace	2,070	6.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5727	Southwest Operating Area	OAKLYN	Oaklyn West Cedar Avenue Manor Avenue to Kendall Blvd	$148,200	Replace	780	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5728	Southwest Operating Area	OAKLYN	Oaklyn Congress Avenue Manor Avenue to Kendall Blvd	$150,100	Replace	790	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5729	Southwest Operating Area	OAKLYN	Oaklyn Kendall Blvd West Holly Avenue to Congress Avenue	$201,400	Replace	1,060	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5730	Southwest Operating Area	OAKLYN	Oaklyn Oaklawn Avenue - Laura Lane to East Clinton Avenue	$228,000	Replace	1,200	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5731	Southwest Operating Area	OAKLYN	Oaklyn East Lakeview Drive White Horse Pike to Johnson Avenue	$106,400	Replace	560	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5732	Southwest Operating Area	OAKLYN	Oaklyn West Beechwood Avenue White Horse Pike to Hilaheath Avenue	$190,000	Replace	1,000	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
5919	Southwest Operating Area	OAKLYN	Oaklyn Capital Avenue North White Horse Pike to Newton Avenue	$95,000	Replace	500	6.00	Ductile Iron	1900's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q1		30
6614	Southwest Operating Area	OAKLYN	Oaklyn Kendall Blvd Golf Avenue to West Holly Ave	$480,000	Replace	2,500	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
7172	Southwest Operating Area	OAKLYN	Oaklyn Ridgeway Avenue Kendall Blvd (CR 650) to Washington Avenue	$325,000	Replace	1,700	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
264	Coastal Operating Area	OCEAN	Ocean Laurel Avenue (from ___ to ___)	$60,000	Replace	400	8.00	Ductile Iron	Unknown	3	Galvanized Steel	System Flows and Pressure	120	TBD	Yes	30
563	Coastal Operating Area	OCEAN	Ocean Highwood from Woodcrest to Hyl 36 (Brookside)	$375,000	Replace	2,500	8.00	Ductile Iron	1920's	2.5	Cast Iron	Safety and Reliability/Structural	120	2016Q4	Yes	20
564	Coastal Operating Area	OCEAN	Ocean Bennett from Poplar to terminus	$270,000	Replace	1,800	6.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
565	Coastal Operating Area	OCEAN	Ocean Maple Street Porter to Sherman	$112,500	Replace	750	8.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	20
567	Coastal Operating Area	OCEAN	Ocean Golf Road from Sherman to Runyon	$150,000	Replace	1,000	8.00	Ductile Iron	1930's	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	20
5214	Coastal Operating Area	OCEAN	Ocean Grand Ave	$70,000	Replace	400	6.00	Ductile Iron	Unknown	3	Galvanized Steel	Water Quality	120	TBD	Yes	20
5401	Coastal Operating Area	OCEAN	Woodcrest Road from Hornell Ave to Redmond	$330,000	Replace	1,600	6.00	Ductile Iron	1930's	3	Cast Iron	Safety and Reliability/Structural	120	TBD		10
5970	Coastal Operating Area	OCEAN	Pinecrest Road from Hornell Road to Wells Road	$87,900	Replace	500	6.00	Ductile Iron	1920's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
5978	Coastal Operating Area	OCEAN	Pinecrest Rd from Roosevelt Ave to Redmond Ave	$114,625	Replace	655	6.00	Ductile Iron	1920's	2	Galvanized Steel	Safety and Reliability	120	TBD		30
5978	Coastal Operating Area	OCEAN	Elmwood Road from Hornell Avenue to Redmond Road	$892,500	Replace	1,900	6.00	Ductile Iron	1910's	2	Galvanized Steel	Safety and Reliability	120	TBD		20
5984	Coastal Operating Area	OCEAN	Cliftwood Road from Hornell to Redmond	$367,500	Replace	2,100	6.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability	120	TBD		20
5985	Coastal Operating Area	OCEAN	Oakhurst Road from Hornell Avenue to Redmond Avenue	$348,250	Replace	1,990	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6004	Coastal Operating Area	OCEAN	Roosevelt Avenue from Highwood Road to Monmouth Road	$360,000	Replace	1,800	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6014	Coastal Operating Area	OCEAN	Freehold Street from Highwood Road to Whalepond Road	$270,000	Replace	1,350	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6038	Coastal Operating Area	OCEAN	Delaware Avenue from valve VOT-2402 to valve VOT-1824	$362,250	Replace	2,070	8.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		25
6049	Coastal Operating Area	OCEAN	Belmar Avenue from W Lincoln Avenue to Elizabeth Street	$355,750	Replace	2,030	6.00	Ductile Iron	1930's	3	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6068	Coastal Operating Area	OCEAN	Amboy Avenue from W Lincoln Avenue to Freehold Street	$753,750	Replace	3,450	8.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability	120	TBD		10
6074	Coastal Operating Area	OCEAN	Harrison Street from Freehold Street to Elizabeth Street	$149,800	Replace	856	6.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability	120	TBD		20
6076	Coastal Operating Area	OCEAN	Phoenix Parkway from Whalepond Road to Whalepond Road	$262,500	Replace	1,500	6.00	Ductile Iron	1960's	2	Galvanized Steel	Safety and Reliability	120	TBD		10
6078	Coastal Operating Area	OCEAN	Garwood Avenue from Belmar Avenue to Delaware Avenue	$88,375	Replace	500	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
6092	Coastal Operating Area	OCEAN	Elizabeth Street from Chatham Avenue to Delaware Avenue	$41,125	Replace	235	6.00	Ductile Iron	1920's	2	Galvanized Steel	Safety and Reliability	120	TBD		20
6096	Coastal Operating Area	OCEAN	Orange Street, W Lincoln Avenue & Arlington Street from Orange Avenue to Dover Avenue	$183,750	Replace	1,050	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
6128	Coastal Operating Area	OCEAN	Berger Avenue from Garwood Road to VOT-1451 & from VOT-1452 to Michael Street	$153,125	Replace	875	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	2016Q4		10
6131	Coastal Operating Area	OCEAN	Michael Avenue from Berger Avenue to Garfield Avenue	$148,625	Replace	825	6.00	Ductile Iron	1950's	3	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6151	Coastal Operating Area	OCEAN	Overbrook Ave from Beaumont Rd to HOT-22	$312,000	Replace	640	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6160	Coastal Operating Area	OCEAN	Jerome Avenue from Larchwood Avenue to Michael Avenue	$133,750	Replace	650	6.00	Ductile Iron	1950's	2	Galvanized Steel	Safety and Reliability	120	TBD		20
6162	Coastal Operating Area	OCEAN	Lawrence Avenue from Larchwood Avenue to Michael Avenue	$134,250	Replace	710	6.00	Ductile Iron	1950's	2	Galvanized Steel	Safety and Reliability	120	2016Q4		20

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Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6163	Coastal Operating Area	OCEAN	Maple Avenue from Sherman Avenue to Parker Avenue	$112,000	Replace	640	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	TBD		10
6164	Coastal Operating Area	OCEAN	Grant Avenue from Monmouth Road to Norwood Avenue	$627,000	Replace	3,135	8.00	Ductile Iron	1950's	4	Unknown	Safety and Reliability/Structural	120	TBD		30
6171	Coastal Operating Area	OCEAN	Roosevelt Ave from Monmouth Rd to Norwood Ave	$738,000	Replace	3,280	12.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6172	Coastal Operating Area	OCEAN	Wallace Ave from end of east 6" to W Park Ave	$122,500	Replace	700	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q4		10
6329	Coastal Operating Area	OCEAN	Monmouth Road from Roseld Avenue to Roosevelt Avenue	$3,045,000	Replace	4,380	16.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
7166	Coastal Operating Area	OCEAN	Phoenix Pky Main Replacement	$340,000	Replace	1,600	6.00	Ductile Iron	1950's	3	Galvanized Steel	Water Quality	120	TBD		20
208	Coastal Operating Area	OCEAN CITY	Ocean City - Simpson Avenue - Between 1st Street & 2nd Street	$101,500	Replace	440	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
219	Coastal Operating Area	OCEAN CITY	Ocean City - Simpson Place - Between Carrollton Avenue & Beach	$45,000	Replace	300	6.00	Ductile Iron	1920's	2	Galvanized Steel	System Flows and Pressure	120	TBD	Yes	10
231	Coastal Operating Area	OCEAN CITY	Ocean City - 10th Street - Between Ocean Avenue & Boardwalk (OC-B-1) (Ocean Ave Mort Ends 2015)	$300,000	Replace	809	12.00	PVC	1930's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
232	Coastal Operating Area	OCEAN CITY	Ocean City - Little Atlantic Avenue - Between 10th Street & End of Road	$99,375	Replace	175	7.00	PVC	1930's	3	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
233	Coastal Operating Area	OCEAN CITY	Ocean City - Brighton Place - Between Atlantic Avenue & Carrollton Avenue	$366,250	Replace	1,065	12.00	Ductile Iron	1920's	4	Galvanized Steel	System Flows and Pressure	120	TBD	Yes	10
234	Coastal Operating Area	OCEAN CITY	Ocean City - Brighton Place - Between Carrollton Avenue & Boardwalk	$82,250	Replace	410		Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	15
3304	Coastal Operating Area	OCEAN CITY	2" Galv replacement from 59th to 58th TRAIL	$72,000	Replace	719	6.00	Ductile Iron	1950's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		10
3370	Coastal Operating Area	OCEAN CITY	17th Street Loop	$446,000	Replace	2,230	8.00	PVC	1950's	6	Asbestos Cement	Relocation/Opportunity	120	TBD		10
3379	Coastal Operating Area	OCEAN CITY	Crescent Road West Inlet to Gardens Parkway	$271,250	Replace	1,150	12.00	PVC	1930's	12	Cast Iron	Relocation/Opportunity	120	TBD		10
3379	Coastal Operating Area	OCEAN CITY	West Inlet Road Surf Road to Crescent Road	$16,425	Replace	72	12.00	PVC	1930's	12	Cast Iron	Relocation/Opportunity	120	TBD		10
3380	Coastal Operating Area	OCEAN CITY	Surf Road from Atlantic to Wesley	$300,150	Replace	1,934	17.68	PVC	1930's	6	Cast Iron	Relocation/Opportunity	120	TBD		10
3381	Coastal Operating Area	OCEAN CITY	Landing Road from Crescent to Atlantic	$62,200	Replace	311	8.00	PVC	1930's	6	Cast Iron	Relocation/Opportunity	120	TBD		10
3382	Coastal Operating Area	OCEAN CITY	Wesley Street 4th to North Street	$451,400	Replace	2,257	8.00	PVC	1910's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		10
3383	Coastal Operating Area	OCEAN CITY	1st Street Asbury to Ocean	$194,400	Replace	864	12.00	PVC	1910's	4	Cast Iron	Relocation/Opportunity	120	TBD		10
3386	Coastal Operating Area	OCEAN CITY	Beaumont Road at Waverly to end	$91,000	Replace	520	6.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
3387	Coastal Operating Area	OCEAN CITY	Central from 14th to 15th	$106,600	Replace	533	8.00	PVC	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		10
3388	Coastal Operating Area	OCEAN CITY	14th Street Asbury to Ocean	$172,800	Replace	864	8.00	PVC	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		10
3389	Coastal Operating Area	OCEAN CITY	Bay to Pleasure on 15th	$178,400	Replace	892	8.00	PVC	1940's	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD		10
3390	Coastal Operating Area	OCEAN CITY	Bayview Pl at Bay to Prospect	$74,900	Replace	428	6.00	PVC	1910's	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD		10
3391	Coastal Operating Area	OCEAN CITY	Prospect between 14th and 15th	$107,800	Replace	539	6.00	PVC	1910's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		10
3395	Coastal Operating Area	OCEAN CITY	26th Street 60 feet west of Asbury Ave	$12,000	Replace	60	8.00	PVC	1910's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
3396	Coastal Operating Area	OCEAN CITY	28th Street 150 feet west of Central Ave	$91,800	Replace	150	8.00	PVC	1990's	2	Cast Iron	Relocation/Opportunity	120	TBD		30
3398	Coastal Operating Area	OCEAN CITY	25th Street from Haven Ave to Asbury Ave	$119,600	Replace	598	8.00	PVC	1910's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q2		20
3441	Coastal Operating Area	OCEAN CITY	Asbury Avenue from 42nd Street to 39th Street	$361,875	Replace	1,693	12.00	PVC	1930's	12	Asbestos Cement	Relocation/Opportunity	120	TBD		20
3442	Coastal Operating Area	OCEAN CITY	42nd Street from West Avenue to Central Avenue	$107,400	Replace	537	8.00	PVC	1950's	8	Asbestos Cement	Relocation/Opportunity	120	TBD		10
3443	Coastal Operating Area	OCEAN CITY	43rd Street from West Avenue to Asbury Avenue	$53,600	Replace	258	8.00	PVC	1950's	8	Asbestos Cement	Relocation/Opportunity	120	TBD		10
3445	Coastal Operating Area	OCEAN CITY	40th Street from West Avenue to Asbury Avenue	$52,000	Replace	260	8.00	PVC	1950's	6	Asbestos Cement	Relocation/Opportunity	120	TBD		10
3447	Coastal Operating Area	OCEAN CITY	39th Street from West Avenue to Central Avenue	$108,200	Replace	541	8.00	PVC	Unknown	8	Asbestos Cement	Relocation/Opportunity	120	TBD		10
3448	Coastal Operating Area	OCEAN CITY	Pelham Place from Atlantic Avenue to Wayne Avenue	$178,600	Replace	893	8.00	PVC	1910's	4	Cast Iron	Relocation/Opportunity	120	TBD		10
3449	Coastal Operating Area	OCEAN CITY	33rd Street from Bay Avenue to Simpson Avenue	$140,675	Replace	625	12.00	PVC	1910's	10	Cast Iron	Relocation/Opportunity	120	TBD		10
3451	Coastal Operating Area	OCEAN CITY	Haven Avenue from 31st Street to 48th Street	$232,600	Replace	1,163	8.00	PVC	1950's	8	Asbestos Cement	Relocation/Opportunity	120	TBD		10
3453	Coastal Operating Area	OCEAN CITY	Central Avenue from 28th Street to 24th Street (Duplicate with 3400)	$460,000	Replace	2,300	8.00	PVC	1930's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
3546	Coastal Operating Area	OCEAN CITY	Stenton Place from Carrollton Avenue to Boardwalk	$42,000	Replace	280	6.00	PVC	1920's	3	Galvanized Steel	Relocation/Opportunity	120	TBD		20
3452	Coastal Operating Area	OCEAN CITY	31st Street between Central Avenue and Asbury Avenue	$60,000	Replace	290	8.00	Ductile Iron	1940's	2	Galvanized Steel	System Flows and Pressure	120	TBD		20
6088	Coastal Operating Area	OCEAN CITY	Simpson Avenue between 36th Street and 35th Street	$90,625	Replace	625	8.00	PVC	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6089	Coastal Operating Area	OCEAN CITY	Bay Avenue from 36th Street to 33rd Street	$320,000	Replace	1,200	16.00	PVC	1950's	12	Asbestos Cement	System Flows and Pressure	120	TBD		10
6090	Coastal Operating Area	OCEAN CITY	35th Street between Asbury Avenue and Bay Avenue	$215,000	Replace	900	12.00	PVC	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		10
6093	Coastal Operating Area	OCEAN CITY	Boardwalk between 9th Street and 10th Street	$250,000	Replace	715	8.00	PVC	1910's	3	Galvanized Steel	Safety and Reliability/Structural	120	TBD		10
6094	Coastal Operating Area	OCEAN CITY	7th Street between Bay Avenue and West Avenue	$210,500	Replace	925	8.00	PVC	1910's	4	Cast Iron	Relocation/Opportunity	120	TBD		10
6095	Coastal Operating Area	OCEAN CITY	Haven Avenue between 7th Street and 8th Street	$138,500	Replace	580	12.00	PVC	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6245	Coastal Operating Area	OCEAN CITY	Anchorage Dr replacement from 55th to 52nd	$63,800	Replace	319	8.00	PVC	1970's	8	Asbestos Cement	Safety and Reliability	120	TBD		10
6246	Coastal Operating Area	OCEAN CITY	Wesley Ave replacement from 10th to 6th	$678,400	Replace	8,192	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability	120	TBD		20
6247	Coastal Operating Area	OCEAN CITY	Pleasure Ave replacement from 15th to 12th	$410,000	Replace	2,050	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability	120	TBD		10

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New Jersey American Water Company, Inc.
2013 Foundational Filing
Appendix C -Revised 8/13/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6248	Coastal Operating Area	OCEAN CITY	Central Ave replacement from 20th to 15th	$572,000	Replace	1,040	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability	120	TBD		30
6249	Coastal Operating Area	OCEAN CITY	Bay Ave replacement from 21st to 18th	$700,000	Replace	2,800	12.00	PVC	1950's	12	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6250	Coastal Operating Area	OCEAN CITY	Central Ave replacement from 23rd to 20th	$312,000	Replace	1,660	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6251	Coastal Operating Area	OCEAN CITY	West Ave replacement from 29th to 27th	$672,200	Replace	8,161	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6252	Coastal Operating Area	OCEAN CITY	Bay Ave replacement from 33rd to 26th	$1,239,400	Replace	6,917	8.00	PVC	1940's	12	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6253	Coastal Operating Area	OCEAN CITY	Bay Ave replacement from 4th to 2nd	$358,400	Replace	1,787	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6254	Coastal Operating Area	OCEAN CITY	Wesley Ave replacement from 6th to 1st	$342,000	Replace	1,710	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6133	Coastal Operating Area	OCEAN CITY	Ocean Ave replacement from 6th to North	$465,200	Replace	2,376	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6256	Coastal Operating Area	OCEAN CITY	Asbury Ave replacement from 21st to 48th	$567,000	Replace	2,835	12.00	PVC	1950's	12	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6257	Coastal Operating Area	OCEAN CITY	Anchorage Dr replacement from 52nd to 55	$267,400	Replace	1,337	8.00	PVC	1970's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6258	Coastal Operating Area	OCEAN CITY	Central Ave replacement from 81st to 38th	$810,000	Replace	4,050	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6259	Coastal Operating Area	OCEAN CITY	Central Ave replacement from 38th to 41th	$790,000	Replace	3,950	8.00	PVC	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6260	Coastal Operating Area	OCEAN CITY	Central Ave replacement from 45th to 55th	$1,188,400	Replace	5,667	8.00	PVC	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6261	Coastal Operating Area	OCEAN CITY	Dory Dr replacement from 31th to 32nd	$387,800	Replace	1,489	8.00	PVC	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6262	Coastal Operating Area	OCEAN CITY	Haven Ave replacement from 58th to 52nd	$441,200	Replace	2,206	8.00	PVC	1970's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6263	Coastal Operating Area	OCEAN CITY	Simpson Ave replacement from 56th to 52nd	$444,300	Replace	2,221	6.00	PVC	1970's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6264	Coastal Operating Area	OCEAN CITY	Bay Ave replacement from 56th to 52nd	$458,800	Replace	2,299	12.00	PVC	1950's	12	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6265	Coastal Operating Area	OCEAN CITY	Central Ave replacement from 58th to 55th	$314,400	Replace	1,573	8.00	PVC	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6266	Coastal Operating Area	OCEAN CITY	West Ave replacement from 58th to 52nd	$787,000	Replace	3,935	8.00	PVC	1970's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6267	Coastal Operating Area	OCEAN CITY	Ocean Ave replacement from 6th to 4th	$644,000	Replace	2,320	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6268	Coastal Operating Area	OCEAN CITY	2nd St replacement from Asbury to Boardwalk	$513,000	Replace	2,565	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6269	Coastal Operating Area	OCEAN CITY	Waterway Rd replacement from Bay to End	$414,800	Replace	2,074	8.00	PVC	1940's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6270	Coastal Operating Area	OCEAN CITY	Plymouth Pl replacement from end to Ocean	$253,600	Replace	1,378	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6271	Coastal Operating Area	OCEAN CITY	Edinburgh Rd replacement from end to Wesley	$250,000	Replace	1,295	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6272	Coastal Operating Area	OCEAN CITY	Glenwood Dr replacement from end to Anchor	$285,600	Replace	1,428	8.00	PVC	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6273	Coastal Operating Area	OCEAN CITY	52nd St replacement from Haven to Asbury	$550,600	Replace	2,753	12.00	PVC	1950's	12	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6274	Coastal Operating Area	OCEAN CITY	Bay Ave replacement from 6th Street to 2nd Street	$440,000	Replace	2,200	8.00	PVC	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6275	Coastal Operating Area	OCEAN CITY	1st St replacement from Ocean to Carteret	$295,200	Replace	1,476	8.00	PVC	1920's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6276	Coastal Operating Area	OCEAN CITY	13th St replacement from Pleasure to West	$245,600	Replace	1,228	8.00	PVC	1920's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6277	Coastal Operating Area	OCEAN CITY	Ocean Rd replacement from Seabright to Battersea	$476,600	Replace	2,383	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6278	Coastal Operating Area	OCEAN CITY	4th St replacement from Wesley to End	$411,200	Replace	2,056	8.00	PVC	1920's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6365	Coastal Operating Area	OCEAN CITY	Alley of Asbury and West replacement from 30th to 29th (Kill Main, Tie Customers to St)	$136,500	Replace	650	6.00	PVC	1980's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6369	Coastal Operating Area	OCEAN CITY	23rd St replacement from Alley of Asbury and Central to Central	$22,800	Replace	114	8.00	PVC	1910's	1	Galvanized Steel	Safety and Reliability/Structural	120	TBD		90
6370	Coastal Operating Area	OCEAN CITY	Alley of Asbury and West replacement from 35th to 36th (Kill Main, Tie Customers to St)	$133,350	Replace	635	6.00	PVC	1980's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6371	Coastal Operating Area	OCEAN CITY	27th St replacement from Central to Alley of Central and Wesley	$31,200	Replace	156	8.00	PVC	1920's	1.5	Galvanized Steel	Safety and Reliability/Structural	120	TBD		30
6372	Coastal Operating Area	OCEAN CITY	14th St replacement from Pleasure to end	$113,400	Replace	567	8.00	PVC	1920's	3	Galvanized Steel	Safety and Reliability/Structural	120	TBD		30
6373	Coastal Operating Area	OCEAN CITY	Alley of Asbury and West Replacement from 24th to 23rd (Kill Main, Tie Customers To St)	$107,400	Replace	537	8.00	PVC	1920's	3	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6374	Coastal Operating Area	OCEAN CITY	Alley of Haven and West replacement from 6th to end of sc	$134,950	Replace	595	8.00	PVC	1940's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6375	Coastal Operating Area	OCEAN CITY	10th St replacement from end to Palm	$12,800	Replace	63	8.00	PVC	1920's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6376	Coastal Operating Area	OCEAN CITY	25th St replacement from West to end	$32,400	Replace	162	8.00	PVC	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6378	Coastal Operating Area	OCEAN CITY	Alley of Haven and West replacement from 7th to 8th (Kill Main, Tie Customers to St)	$112,350	Replace	535	6.00	PVC	1980's	3	Galvanized Steel	Safety and Reliability/Structural	120	TBD		30
6381	Coastal Operating Area	OCEAN CITY	25th St replacement from Wesley to Haven	$346,700	Replace	1,370	8.00	PVC	1910's	6	Asbestos Cement	Safety and Reliability/Structural	120	2014Q3		10
6382	Coastal Operating Area	OCEAN CITY	44th St replacement from West to Central	$324,950	Replace	595	8.00	PVC	1920's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		30
6383	Coastal Operating Area	OCEAN CITY	22nd St replacement from Asbury to Wesley	$98,700	Replace	470	8.00	PVC	1920's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		30
6384	Coastal Operating Area	OCEAN CITY	36th St replacement from West to Central	$157,000	Replace	785	8.00	PVC	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6385	Coastal Operating Area	OCEAN CITY	31st St replacement from Alley of West and Haven to Central	$157,500	Replace	750	8.00	PVC	1950's	3	Galvanized Steel	Safety and Reliability/Structural	120	TBD		30
6387	Coastal Operating Area	OCEAN CITY	Alley of Asbury and West replacement from 59th to 58th (Kill Main, Tie Customers to St)	$154,350	Replace	735	6.00	PVC	1930's	3	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6388	Coastal Operating Area	OCEAN CITY	Saint Albans Pl replacement from Wesley to Boardwalk	$37,400	Replace	187	8.00	PVC	1960's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6389	Coastal Operating Area	OCEAN CITY	14th St replacement from Asbury to Boardwalk	$345,700	Replace	1,170	8.00	PVC	1920's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6390	Coastal Operating Area	OCEAN CITY	2nd St replacement from Bay to Simpson	$43,400	Replace	217	8.00	PVC	1920's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6393	Coastal Operating Area	OCEAN CITY	5th St replacement from West to Ocean	$196,000	Replace	1,400	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6393	Coastal Operating Area	OCEAN CITY	5th St replacement from Ocean to Beach	$346,900	Replace	1,650	8.00	PVC	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6394	Coastal Operating Area	OCEAN CITY	Asbury Rd replacement from 1st to Battersea	$273,000	Replace	1,300	8.00	PVC	1910's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20

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Stipulation - Exhibit A

#	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6395	Coastal Operating Area	OCEAN CITY	Delancey Pl replacement from Atlantic to Corinthian	$213,000	Replace	1,065	8.00	PVC	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6396	Coastal Operating Area	OCEAN CITY	Park Pl replacement from Atlantic to Beach	$294,000	Replace	1,400	8.00	PVC	Unknown	Unknown	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6397	Coastal Operating Area	OCEAN CITY	Saint James Pl replacement from Atlantic to Beach	$283,500	Replace	1,350	8.00	PVC	1920's	4	Unknown	Safety and Reliability/Structural	120	TBD		20
6398	Coastal Operating Area	OCEAN CITY	West Ave replacement from 7th to 3rd	$101,000	Replace	505	8.00	PVC	1910's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6399	Coastal Operating Area	OCEAN CITY	17th St replacement from end to Wesley	$38,400	Replace	197	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6400	Coastal Operating Area	OCEAN CITY	25th St replacement from Simpson to Central	$348,220	Replace	1,382	8.00	PVC	1970's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6414	Coastal Operating Area	OCEAN CITY	30th St replacement from end to Wesley	$63,000	Replace	300	8.00	PVC	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6415	Coastal Operating Area	OCEAN CITY	30th St replacement from West to Central	$132,300	Replace	630	8.00	PVC	1920's	3	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6416	Coastal Operating Area	OCEAN CITY	3rd St replacement from Atlantic to Corinthian	$213,000	Replace	1,065	8.00	PVC	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6417	Coastal Operating Area	OCEAN CITY	OC 6th St replacement from Pleasure to Bay (including Pleasure Ave from 7th to 6th)	$180,600	Replace	860	8.00	PVC	1910's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6418	Coastal Operating Area	OCEAN CITY	OC Moorlyn Ter replacement from Ocean to End	$340,450	Replace	1,345	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6419	Coastal Operating Area	OCEAN CITY	OC 23rd St replacement from Bay to Haven	$122,800	Replace	614	8.00	PVC	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6420	Coastal Operating Area	OCEAN CITY	OC Asbury Ave replacement from 18th to 21st	$367,500	Replace	1,750	8.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6431	Coastal Operating Area	OCEAN CITY	OC Sunset & Bayonne Pl replacement from end to Bay	$190,180	Replace	925	8.00	PVC	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6433	Coastal Operating Area	OCEAN CITY	OC 19th St replacement from West to Haven	$79,800	Replace	380	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6434	Coastal Operating Area	OCEAN CITY	OC 20th St replacement from West to Haven	$54,200	Replace	271	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6435	Coastal Operating Area	OCEAN CITY	OC 29th St replacement from Wesley to Haven	$252,000	Replace	1,200	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6436	Coastal Operating Area	OCEAN CITY	OC 45th St replacement from Asbury to Central	$58,200	Replace	281	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6437	Coastal Operating Area	OCEAN CITY	OC 47th St replacement from West to Asbury	$47,400	Replace	237	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6438	Coastal Operating Area	OCEAN CITY	OC 48th St replacement from West to Central	$122,850	Replace	585	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6439	Coastal Operating Area	OCEAN CITY	OC 50th St replacement from West to Asbury	$52,400	Replace	262	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6440	Coastal Operating Area	OCEAN CITY	OC 20th St replacement from Wesley to Central	$61,600	Replace	308	8.00	PVC	1910's	8	Unknown	Safety and Reliability/Structural	120	TBD		10
6441	Coastal Operating Area	OCEAN CITY	OC 34th St replacement from Bay to Asbury	$272,160	Replace	1,296	8.00	PVC	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6442	Coastal Operating Area	OCEAN CITY	OC 49th St replacement from Haven to West	$53,800	Replace	269	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6443	Coastal Operating Area	OCEAN CITY	OC 51st St replacement from West to Haven	$71,200	Replace	356	8.00	PVC	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6444	Coastal Operating Area	OCEAN CITY	OC 57th St replacement from West to Central	$106,000	Replace	530	8.00	PVC	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6446	Coastal Operating Area	OCEAN CITY	OC 55th St replacement from Bay to West	$320,250	Replace	1,525	12.00	PVC	1970's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6447	Coastal Operating Area	OCEAN CITY	OC - 16th St replacement from Bay to Simpson	$63,200	Replace	316	12.00	PVC	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6448	Coastal Operating Area	OCEAN CITY	OC - 18th St replacement from Asbury to Haven	$129,850	Replace	649	12.00	PVC	1950's	12	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6449	Coastal Operating Area	OCEAN CITY	OC 21st St replacement from Haven to Bay	$131,000	Replace	655	12.00	PVC	1950's	12	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6503	Coastal Operating Area	OCEAN CITY	OC - Ferndale Drive between Spruce Road and Anchor Road	$236,000	Replace	1,180	8.00	PVC	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6825	Coastal Operating Area	OCEAN CITY	Stanton Place between Corinthian Avenue and Boardwalk	$40,000	Replace	270	6.00	PVC	1920's	2	Galvanized Steel	System Flows and Pressure	120	TBD		20
755	Coastal Operating Area	OCEANPORT	Oceanport - Worah Place	$187,500	Replace	1,250	8.00	PVC	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
5784	Coastal Operating Area	OCEANPORT	Replace 2" CI pipe on Oceanport Avenue from Port Au Peck Avenue to Carriage Lane	$130,000	Replace	650	8.00	Ductile Iron	1900's	2.25	Cast Iron	Safety and Reliability	120	2016Q4		20
6522	Coastal Operating Area	OCEANPORT	Shore Rd	$260,000	Replace	1,500	6.00	PVC	1970's	6	Ductile Iron	Safety and Reliability	120	TBD		20
7079	Coastal Operating Area	OCEANPORT	Trinity Place	$75,000	Replace	500	6.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	2016Q3		10
385	Southwest Operating Area	OLDMANS	Oldmans - Mill Street, Creek to Railroad	$160,800	Replace	1,091	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
1306	Southwest Operating Area	OLDMANS	Oldmans - Key Place - Dennis Drive to End of Roadway	$35,150	Replace	185	4.00	Ductile Iron	1950's	1	PVC	Safety and Reliability/Structural	120	TBD		30
144	North Operating Area	OXFORD	Frenchtown - 13th Street	$305,000	Replace	600	6.00	Ductile Iron	Unknown	2	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
428	Southwest Operating Area	PALMYRA	Palmyra - Horace Avenue & West 2nd Street Delaware to Horace and West 2nd Street to West 5th Street	$380,000	Replace	2,000	8.00	Ductile Iron	1920's	4	Asbestos Cement	System Flows and Pressure	120	TBD	Yes	30
479	Southwest Operating Area	PALMYRA	Palmyra/Riverton - 7th Street - Lincoln Avenue to Main Street	$420,000	Replace	2,200	8.00	Ductile Iron	1920's	4	Concrete	System Flows and Pressure	120	2016Q1	Yes	30
490	Southwest Operating Area	PALMYRA	Palmyra - Leconey Avenue & Leconey Circle - 5th Street to Firth Lane	$440,000	Replace	2,300	8.00	Ductile Iron	Pre-1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
499	Southwest Operating Area	PALMYRA	Palmyra - 4th Street - Leconey Avenue to Horace Avenue	$120,000	Replace	670	8.00	Ductile Iron	Pre 1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
500	Southwest Operating Area	PALMYRA	Palmyra - Berkley Avenue - Temple Blvd to West 4th Street	$162,000	Replace	810	8.00	Ductile Iron	Pre-1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
501	Southwest Operating Area	PALMYRA	Palmyra - West 3rd Street - Horace Avenue to Berkley Avenue	$114,000	Replace	600	8.00	Ductile Iron	Pre-1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
505	Southwest Operating Area	PALMYRA	Palmyra - West 5th Street - Arch Street to Weart Blvd	$218,500	Replace	1,150	8.00	Ductile Iron	Pre-1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
509	Southwest Operating Area	PALMYRA	Palmyra - New Jersey Avenue - South Broad Street to West Charles Street	$220,000	Replace	1,110	8.00	Ductile Iron	Pre-1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30

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Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
515	Southwest Operating Area	PALMYRA	Palmyra - East 5th Street - Morgan Avenue to Elm Avenue	$114,000	Replace	600	8.00	Ductile Iron	Pre 1900	4	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	30
516	Southwest Operating Area	PALMYRA	Palmyra - Maple Avenue - East 5th Street to East Broad Street	$105,000	Replace	550	8.00	Ductile Iron	Pre 1900	4	Galvanized Steel	Safety and Reliability/Structural	120	2016Q1	Yes	30
518	Southwest Operating Area	PALMYRA	Palmyra - Walnut Street - West Spring Garden Street to West Charles Street	$300,000	Replace	1,650	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	30
519	Southwest Operating Area	PALMYRA	Palmyra - Morgan Avenue - East Broad Street to West Spring Garden Street	$95,000	Replace	550	8.00	Ductile Iron	Pre 1900	4	Galvanized Steel	Safety and Reliability/Structural	120	2016Q1	Yes	30
520	Southwest Operating Area	PALMYRA	Palmyra - Poor Street - Walnut Street to Filbert Street	$105,000	Replace	550	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	30
5810	Southwest Operating Area	PALMYRA	Palmyra - 6th Street - Arch Street to Delaware Ave	$504,000	Replace	2,650	8.00	Ductile Iron	1900's	4	Cement	System Flows and Pressure	120	TBD		80
5811	Southwest Operating Area	PALMYRA	Palmyra - Perry Ave- Cinnaminson Ave to Charles Street	$342,000	Replace	1,800	8.00	Ductile Iron	1900's	4	Cement	System Flows and Pressure	120	TBD		60
5823	Southwest Operating Area	PALMYRA	Palmyra - Legion Ave - Broad Street to W 3rd Street	$190,000	Replace	1,000	8.00	Ductile Iron	1920's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5824	Southwest Operating Area	PALMYRA	Palmyra - Tempar Blvd - Jefferson Ave to Berkley Ave	$350,000	Replace	1,900	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	2016Q1		30
5827	Southwest Operating Area	PALMYRA	Palmyra - Highland Ave - Broad Street to 7th Street	$260,800	Replace	1,900	8.00	Ductile Iron	1900's	8	Cement	Safety and Reliability/Structural	120	TBD		20
5831	Southwest Operating Area	PALMYRA	Palmyra - Lincoln Avenue - East Broad Street to 7th Street	$323,000	Replace	1,700	8.00	Ductile Iron	Pre 1900	8	Cement	System Flows and Pressure	120	2016Q1		30
6726	Southwest Operating Area	PALMYRA	Palmyra - Vine Street - West 5th Street to West Broad Street	$104,500	Replace	550	8.00	Ductile Iron	Pre 1900	4	Cement	Safety and Reliability/Structural	120	TBD		30
6727	Southwest Operating Area	PALMYRA	Palmyra - West 5th Street and Weart Blvd - Arch Street to Delaware Avenue to West 5th Street	$361,500	Replace	1,850	8.00	Ductile Iron	Pre 1900	4	Cement	Safety and Reliability/Structural	120	TBD		30
6728	Southwest Operating Area	PALMYRA	Palmyra - Race Street - West 4th Street to West Broad Street	$147,250	Replace	775	8.00	Ductile Iron	Pre-1900	4	Concrete	Safety and Reliability/Structural	120	TBD		30
7104	Southwest Operating Area	PALMYRA	Palmyra - Delaware Avenue - West Broad Street to Charles Street (Include 2nd Street and 5th Street)	$82,500	Replace	1,700	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6849	North Operating Area	PEAPACK GLADSTONE BOROUGH	PEAPACK GLADSTONE - Brady Dr from Cul De Sac to gradient Bnd	$440,000	Replace	2,200	8.00	Ductile Iron	Unknown	8	Ductile Iron	Safety and Reliability/Structural	120	TBD		10
6850	North Operating Area	PEAPACK GLADSTONE BOROUGH	PEAPACK GLADSTONE - Main St from Mendham Rd to gradient Bnd	$660,000	Replace	3,300	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6851	North Operating Area	PEAPACK GLADSTONE BOROUGH	PEAPACK GLADSTONE - Pottersville Rd from Main St to RT 206	$660,000	Replace	3,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6852	North Operating Area	PEAPACK GLADSTONE BOROUGH	PEAPACK GLADSTONE - Ridge Rd from Brook Hollow Dr	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
7190	North Operating Area	PEAPACK GLADSTONE BOROUGH	Holland Road private main	$220,000	Replace	1,100	6.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		30
7191	North Operating Area	PEAPACK GLADSTONE BOROUGH	Holland Road private main	$220,000	Replace	1,100	6.00	Ductile Iron	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
368	Southwest Operating Area	PENNS GROVE	Penns Grove - Mary Street and John Street - South Broad Street to Main Street	$338,000	Replace	1,300	12.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	80
891	Southwest Operating Area	PENNS GROVE	Penns Grove - Turner Avenue - West Pitman Street to West Line Street	$153,000	Replace	800	8.00	Ductile Iron	1930's	1	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	80
892	Southwest Operating Area	PENNS GROVE	Penns Grove - South Smith Avenue - Walnut Street to Diver Avenue	$163,400	Replace	860	8.00	Ductile Iron	1950's	1.25	PVC	Safety and Reliability/Structural	120	TBD	Yes	30
893	Southwest Operating Area	PENNS GROVE	Penns Grove - Delaware Drive - Church Street to Cove Road	$133,000	Replace	700	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
894	Southwest Operating Area	PENNS GROVE	Penns Grove - Railroad Avenue and Mill Street - Naylor Avenue to Dead End to HPG-63	$218,900	Replace	115	12.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
898	Southwest Operating Area	PENNS GROVE	Penns Grove - Harmony Avenue - Delaware Avenue to North Broad Street	$380,000	Replace	2,000	8.00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
5953	Southwest Operating Area	PENNS GROVE	Penns Grove - West Harmony Avenue - Delaware Avenue to North Broad Street	$475,000	Replace	2,500	12.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	2016Q3		30
5995	Southwest Operating Area	PENNS GROVE	Penns Grove - State Street - West Maple Avenue to West Main Street	$634,500	Replace	3,350	8.00	Ductile Iron	1910's	8	Cast Iron	System Flows and Pressure	120	TBD		80
5744	Southwest Operating Area	PENNS GROVE	Penns Grove - Denvog Avenue - Walnut Street to Willis Avenue	$95,000	Replace	500	6.00	Ductile Iron	1910's	2	Cast Iron	Safety and Reliability	120	TBD		80
6015	Southwest Operating Area	PENNS GROVE	Penns Grove - Sampsons Place - Railroad Avenue to Dead End	$36,100	Replace	190	8.00	Ductile Iron	1900's	1.5	PVC	System Flows and Pressure	120	TBD		30
6016	Southwest Operating Area	PENNS GROVE	Penns Grove - Jay Avenue - Railroad Avenue to Dead End	$38,000	Replace	200	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6017	Southwest Operating Area	PENNS GROVE	Penns Grove - North Broad Street - East Line Street to East Main Street	$368,600	Replace	1,940	8.00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		20

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6018	Southwest Operating Area	PENNS GROVE	Penns Grove - South Broad Street - East Main Street to Dead End	$750,500	Replace	3,950	8 00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6019	Southwest Operating Area	PENNS GROVE	Penns Grove - Summerhill Avenue - Garnet Street to Dead End	$72,200	Replace	380	8.00	Ductile Iron	1910's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6020	Southwest Operating Area	PENNS GROVE	Penns Grove - Church Street - South Broad Street to Delaware Drive	$266,000	Replace	1,400	8 00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6021	Southwest Operating Area	PENNS GROVE	Penns Grove - Cumberland Avenue - Diver Avenue to Walnut Street	$163,400	Replace	860	8 00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6022	Southwest Operating Area	PENNS GROVE	Penns Grove - Doney Avenue and New New Street Penn Street to Franklin Street to Dead End	$338,000	Replace	1,200	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6024	Southwest Operating Area	PENNS GROVE	Penns Grove - Foothorse Avenue - Marsden Avenue to Howard Street	$112,100	Replace	590	8 00	Ductile Iron	1960's	3 25	PVC	System Flows and Pressure	120	TBD		30
6025	Southwest Operating Area	PENNS GROVE	Penns Grove - Wright Street and Pooler Street Lansing Avenue to Dead End	$197,600	Replace	1,040	8 00	Ductile Iron	Unknown	2	Cast Iron	System Flows and Pressure	120	TBD		30
6026	Southwest Operating Area	PENNS GROVE	Penns Grove - East Union Street - North Broad Street to Barber Avenue	$159,600	Replace	840	8 00	Ductile Iron	Unknown	2	Cast Iron	Sustained Economic Growth	120	TBD		30
6027	Southwest Operating Area	PENNS GROVE	Penns Grove - Oak Street - West Main Street to Dead End	$47,500	Replace	250	8.00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6029	Southwest Operating Area	PENNS GROVE	Penns Grove - East Main Street - Virginia Avenue to South Broad Street	$340,100	Replace	1,790	8 00	Ductile Iron	1900's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6030	Southwest Operating Area	PENNS GROVE	Penns Grove - West Main Street - North Broad Street to Delaware Avenue	$457,900	Replace	2,410	8 00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6031	Southwest Operating Area	PENNS GROVE	Penns Grove - Howard Street - North Virginia Avenue to Foothorse Avenue	$76,038	Replace	400	8 00	Ductile Iron	Unknown	3.25	PVC	Safety and Reliability/Structural	120	TBD		30
6033	Southwest Operating Area	PENNS GROVE	Penns Grove - West Union Street - North Broad Street to Dead End	$47,500	Replace	250	8 00	Ductile Iron	Pre 1900	2	Cast Iron	Sustained Economic Growth	120	TBD		30
6034	Southwest Operating Area	PENNS GROVE	Penns Grove - Railroad Avenue - Hayler Avenue to Airy Avenue	$171,000	Replace	900	8 00	Ductile Iron	1900's	6	Cast Iron	System Flows and Pressure	120	TBD		30
6035	Southwest Operating Area	PENNS GROVE	Penns Grove - Oakwood Avenue - Hickory Avenue to Pinewood Avenue	$133,000	Replace	700	8 00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
6036	Southwest Operating Area	PENNS GROVE	Penns Grove - Maplewood Avenue - Hollywood Avenue to Oakwood Avenue	$171,000	Replace	900	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
364	Southwest Operating Area	PENNSAUKEN	Pennsauken - Route 130 - Marlton Pike to Homestead Avenue	$494,000	Replace	2,600	8 00	Ductile Iron	1930's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	30
3879	Southwest Operating Area	PENNSAUKEN	Pennsauken - Rudderow Avenue - North 36th Street to Dead End	$95,000	Replace	500	8 00	Ductile Iron	1930's	4	Cast Iron	System Flows and Pressure	120	TBD		30
3904	Southwest Operating Area	PENNSAUKEN	Pennsauken - Airport Industrial Park - Hughes Avenue to North Park Drive	$1,292,000	Replace	6,800	12 00	Ductile Iron	1960's	8	Cast Iron	System Flows and Pressure	120	TBD		30
3949	Southwest Operating Area	PENNSAUKEN	Pennsauken - Clark Avenue - Marlton Pike to Harris Avenue	$152,000	Replace	800	8 00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
3950	Southwest Operating Area	PENNSAUKEN	Pennsauken - Roosevelt Avenue - King Ave to Garfield Avenue	$133,000	Replace	650	8 00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
3951	Southwest Operating Area	PENNSAUKEN	Pennsauken - Garden Avenue - Roosevelt Ave to Norwood Avenue	$100,000	Replace	550	8 00	Ductile Iron	1940's	2.25	Cast Iron	System Flows and Pressure	120	TBD		30
3952	Southwest Operating Area	PENNSAUKEN	Pennsauken - Beacon Ave - Highland Ave to Rt 130 and Roosevelt Ave to Norwood Ave	$385,000	Replace	1,500	8 00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
3953	Southwest Operating Area	PENNSAUKEN	Pennsauken - King Avenue - Roosevelt Ave to Dead End	$90,000	Replace	250	8 00	Ductile Iron	1930's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
6487	Southwest Operating Area	PENNSAUKEN	Pennsauken - Eliminate main under Route 130 Jersey barrier	$2,750,000	Replace	9,350	12 00	Ductile Iron	1930's	8	Cast Iron	Safety and Reliability	120	TBD		30
6616	Southwest Operating Area	PENNSAUKEN	Pennsauken - Willgoos Ave - Harris to End	$165,000	Replace	910	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
286	Central Operating Area	PISCATAWAY TWP	Piscataway - Carlton Ave	$900,000	Replace	4,500	8 00	Ductile Iron	1960's	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
288	Central Operating Area	PISCATAWAY TWP	Piscataway - River Road - 16" main	$900,000	Replace	4,000	16 00	Ductile Iron	Unknown	16	Cast Iron	Relocation/Opportunity	120	TBD	Yes	30
452	Central Operating Area	PISCATAWAY TWP o	From Haywood to Winwood and from Maplehurst to Barber	$84,000	Replace	100	6.00	Ductile Iron	Unknown	6	Cast Iron	Relocation/Opportunity	120	TBD	Yes	20
5786	Central Operating Area	PISCATAWAY TWP	Piscataway - South Ave Bridge - Middlesex/Piscataway	$100,000	Replace	120	8 00		Unknown	Unknown	Unknown	Relocation/Opportunity	120	TBD		10
6490	Central Operating Area	PISCATAWAY TWP	1st Ave Bridge Replacement	$273,000	Replace	1,365	8 00		1950's	6	Cast Iron	Relocation/Opportunity	120	TBD		30
6659	Central Operating Area	PISCATAWAY TWP	Poplar Road main Replacement	$88,650	Replace	394	12.00	HDPE	1960's	12	Steel	Safety and Reliability	120	TBD		20
3574	Central Operating Area	PLAINFIELD CITY	Easement (Willson St to Right of Way)	$578,000	Replace	2,888	8 00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	2016Q3		20
3575	Central Operating Area	PLAINFIELD CITY	George St. (Leland to Terrill)	$56,000	Replace	277	6 00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	2016Q3		10
4462	Central Operating Area	PLAINFIELD CITY	Elaine Ct.	$962,500	Replace	1,450	12 00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30
4463	Central Operating Area	PLAINFIELD CITY	South Avenue from Richmond St to Berkman St	$800,000	Replace	3,200	12 00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		30

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7048	Central Operating Area	PLAINFIELD CITY	Deborah Ct. (@ both cul de sacs)	$31,500	Replace	180	6.00	Ductile Iron	1990's	2	Galvanized Steel	System Flows and Pressure	120	TBD		20
78	Central Operating Area	PLAINSBORO TWP	Plainsboro Jeffers/Pasture/Signal 12/Flushing/lose water	$169,400	Replace	1,090	8.00	Ductile Iron	1950's	4	Cast Iron	Water Quality	120	TBD	Yes	20
320	Coastal Operating Area	PLEASANTVILLE	Pleasantville Doughty Road Between US Route 40 & Washington Avenue (w/ bore)	$482,500	Replace	1,700	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
5648	Coastal Operating Area	PLEASANTVILLE	Washington Avenue between New Road and Main Street	$369,000	Replace	2,050	12.00	Ductile Iron	Pre-1900	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5649	Coastal Operating Area	PLEASANTVILLE	Washington Avenue between Main Street and Franklin Boulevard	$170,000	Replace	850	12.00	Ductile Iron	Pre-1900	4	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5986	Coastal Operating Area	PLEASANTVILLE	N 3rd Street between W Adams Ave and Hendricks St	$68,000	Replace	425	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
5987	Coastal Operating Area	PLEASANTVILLE	N 4th Street between W. Adams Ave and Pleasant Ave	$121,600	Replace	760	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
5989	Coastal Operating Area	PLEASANTVILLE	N. 6th Street between Washington Ave and Martin Luther King Jr Ave	$80,000	Replace	80	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
5990	Coastal Operating Area	PLEASANTVILLE	4th Street between Washington Avenue and West Jersey Avenue	$73,600	Replace	460	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
5991	Coastal Operating Area	PLEASANTVILLE	3rd Street between Martin Luther King Jr Ave and West Jersey Ave	$174,000	Replace	900	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
5992	Coastal Operating Area	PLEASANTVILLE	Chestnut Avenue between Washington Ave and Black Horse Pike	$125,000	Replace	250	8.00	Ductile Iron	Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
6401	Coastal Operating Area	PLEASANTVILLE	PV - E. Princeton Avenue between Main St and Iowa Ave	$168,300	Replace	935	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6402	Coastal Operating Area	PLEASANTVILLE	PV - E. Leeds Avenue between Main Street and Franklin Blvd	$72,000	Replace	400	12.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6404	Coastal Operating Area	PLEASANTVILLE	PV - McConnell Drive between E. Leeds Ave and Cedarcrest Ave	$193,500	Replace	1,075	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6405	Coastal Operating Area	PLEASANTVILLE	PV - Magnolia Place between Main Street and McConnell Drive	$149,600	Replace	935	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6406	Coastal Operating Area	PLEASANTVILLE	PV - Laurel Drive between Magnolia Place and McConnell Drive	$117,000	Replace	650	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6407	Coastal Operating Area	PLEASANTVILLE	PV - W. Leeds Ave between New Road and Main Street	$628,500	Replace	2,900	12.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6408	Coastal Operating Area	PLEASANTVILLE	PV - Elston Avenue from W. Leeds Avenue	$40,000	Replace	200	4.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6409	Coastal Operating Area	PLEASANTVILLE	PV - Elmo Avenue between W. Leeds Avenue and end of road	$162,000	Replace	900	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6410	Coastal Operating Area	PLEASANTVILLE	PV - Sunset Court between New Road and Elmo Avenue	$47,250	Replace	315	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6411	Coastal Operating Area	PLEASANTVILLE	PV - Newton's Avenue between W. Leeds Ave and New Road	$164,700	Replace	915	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6419	Coastal Operating Area	PLEASANTVILLE	Linden Avenue between W Dolliah Road and W Thompson Avenue	$162,000	Replace	680	8.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6421	Coastal Operating Area	PLEASANTVILLE	PV - Laraine Avenue between Main Street and east end of road	$252,000	Replace	1,400	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6422	Coastal Operating Area	PLEASANTVILLE	Franklin Avenue between Larraine Avenue and Expressway	$85,500	Replace	475	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6423	Coastal Operating Area	PLEASANTVILLE	E. Mulberry Ave between Main Street and Franklin Blvd	$126,000	Replace	700	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6450	Coastal Operating Area	PLEASANTVILLE	PV - Chatham Avenue between Main Street and Clearview Avenue	$270,000	Replace	1,500	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6452	Coastal Operating Area	PLEASANTVILLE	PV - Walnut Avenue between Main Street and Franklin Blvd	$126,000	Replace	700	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6453	Coastal Operating Area	PLEASANTVILLE	PV - Franklin Blvd between Marion Avenue and Charles Avenue	$200,000	Replace	1,000	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6454	Coastal Operating Area	PLEASANTVILLE	PV - E. Marion Avenue between Main Street and east end of road	$255,600	Replace	1,420	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6455	Coastal Operating Area	PLEASANTVILLE	PV - Collins Avenue between Main Street and Franklin Blvd	$122,400	Replace	680	8.00	Ductile Iron	1920's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6456	Coastal Operating Area	PLEASANTVILLE	PV - Collins Avenue between Franklin Ave and east end of road	$146,700	Replace	815	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6457	Coastal Operating Area	PLEASANTVILLE	PV - E. Adams Ave between Main Street and east end of road	$273,600	Replace	1,520	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6458	Coastal Operating Area	PLEASANTVILLE	PV - Old Turnpike between Main Street and east end of road	$420,000	Replace	2,100	12.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20

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6459	Coastal Operating Area	PLEASANTVILLE	PV - Franklin Blvd between Old Turnpike and Washington Ave	$111,600	Replace	620	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6575	Coastal Operating Area	PLEASANTVILLE	PV - Main Street between Dolphin Ave and Park Ave	$706,256	Replace	2,823	16.00	Ductile Iron	1910's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6576	Coastal Operating Area	PLEASANTVILLE	PV - Main Street between Park Ave and Decatur Ave	$615,000	Replace	2,500	16.00	Ductile Iron	1910's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6604	Coastal Operating Area	PLEASANTVILLE	E Delilah Road between Main Street and Franklin Blvd	$112,800	Replace	560	8.00	Ductile Iron	1910's	3	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6605	Coastal Operating Area	PLEASANTVILLE	Linden Avenue between Delilah Rd and Wanaque Ave	$69,000	Replace	315	8.00	Ductile Iron	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6606	Coastal Operating Area	PLEASANTVILLE	Windsor Avenue between Linden Avenue and Main Street	$104,000	Replace	520	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6921	Coastal Operating Area	PLEASANTVILLE	Clematis Avenue between Ryan Ave and Glendale Ave	$152,800	Replace	760	16.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6939	Coastal Operating Area	PLEASANTVILLE	E Park Ave between Main St and east end of Park Ave	$300,000	Replace	1,680	16.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6932	Coastal Operating Area	PLEASANTVILLE	Ryan Avenue between Main Street and Mortensen Ave	$275,000	Replace	1,500	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
7209	Coastal Operating Area	PLEASANTVILLE	PV-Ridgewood & Ashland	$200,000	Replace	1,000	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q1		10
79	Central Operating Area	PRINCETON BOROUGH	Princeton Boro - Elm Road/Hodge to 206/Harris Brooks	$432,000	Replace	2,400	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
81	Central Operating Area	PRINCETON BOROUGH	Princeton Boro - Campbelton Road & Circle/ Allison	$826,000	Replace	3,600	6.00	Ductile Iron	1930's	6	Cast Iron	Water Quality	120	TBD	Yes	20
5486	Central Operating Area	PRINCETON BOROUGH	Dickenson St between alexander St and University Pl	$100,000	Replace	450	8.00	Ductile Iron	1900's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q4		40
6821	Central Operating Area	PRINCETON BOROUGH	Bank Street Main Replacement	$2,008,000	Replace	860	8.00	Ductile Iron	1920's	Unknown	Cast Iron	Safety and Reliability/Structural	120	2016Q1		30
19	Central Operating Area	PRINCETON TWP	Princeton - Nassau Street from Harrison to Washington	$1,500,000	Replace	3,300	12.00	Ductile Iron	Pre 1900	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	40
83	Central Operating Area	PRINCETON TWP	Princeton Township - Ridgeview Road/Great Road to Cherry Hill Road	$1,626,000	Replace	5,700	12.00	Ductile Iron	Unknown	12	Ductile Iron	Safety and Reliability/Structural	120	TBD	Yes	20
84	Central Operating Area	PRINCETON TWP	Princeton Township - Stuart Road/Great Road to Cherry Hill Road	$903,600	Replace	5,020	12.00	Ductile Iron	1930's	8	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
85	Central Operating Area	PRINCETON TWP	Princeton Township- Harris Road	$54,000	Replace	300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
851	Central Operating Area	PRINCETON TWP	Princeton - Valley Road from Walnut Ln to Harrison St	$240,000	Replace	1,200	8.00	Ductile Iron	1950's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q4	Yes	30
5858	Central Operating Area	PRINCETON TWP	Red Hill rd 6" Main replacement	$600,000	Replace	2,300	6.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
7304	Central Operating Area	PRINCETON TWP	Hillside Avenue Main Replacement	$150,000	Replace	580	8.00	Ductile Iron	1950's	2	Unknown	Safety and Reliability/Structural	120	2016Q3		30
5590	Central Operating Area	RARITAN BOROUGH	Thompson St Main Replacement	$250,000	Replace	1,200	8.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
5780	Central Operating Area	RARITAN BOROUGH	Bonar Street Main Replacement	$150,000	Replace	660	8.00	Ductile Iron	1920's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
5782	Central Operating Area	RARITAN BOROUGH	First Avenue Main Replacement	$450,000		1800	12	Ductile Iron	1920's	8	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
5788	Central Operating Area	RARITAN BOROUGH	Frederick St Main Replacement	$100,000	Replace	400	8.00	Ductile Iron	1920's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
6730	Central Operating Area	RARITAN BOROUGH	First Avenue Main Replacement	$400,000	Replace	1,400	8.00	Ductile Iron	2930's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
1822	Southwest Operating Area	RIVERSIDE	Riverside - Hastings Avenue - New Jersey Avenue to Washington Street	$494,000	Replace	2,600	8.00	Ductile Iron	1930's	4	Cast Iron	Water Quality	120	2016Q3		30
346	Southwest Operating Area	RIVERTON	Riverton - Bank Avenue - Lippincott Avenue to Howard Street	$323,000	Replace	1,700	12.00	Ductile Iron	1910's	4	Steel	Safety and Reliability/Structural	120	2016Q1	Yes	20
431	Southwest Operating Area	RIVERTON	Riverton - Linden Avenue - South Broad Street to 7th Street	$338,000	Replace	1,300	6.00	Ductile Iron	1920's	4	Concrete	System Flows and Pressure	120	2016Q1	Yes	30
432	Southwest Operating Area	RIVERTON	Riverton - Thomas Avenue - Broad Street to Park Avenue	$342,000	Replace	1,800	8.00	Ductile Iron	1930's	4	Concrete	System Flows and Pressure	120	2016Q1	Yes	30
435	Southwest Operating Area	RIVERTON	Riverton - Linden Avenue - Midway Avenue to Park Avenue	$95,000	Replace	500	8.00	Ductile Iron	1920's	4	Concrete	System Flows and Pressure	120	2016Q1	Yes	30
436	Southwest Operating Area	RIVERTON	Riverton - 6th Street - Main Street to Thomas Avenue	$171,000	Replace	900	8.00	Ductile Iron	1920's	4	Concrete	System Flows and Pressure	120	TBD	Yes	30
437	Southwest Operating Area	RIVERTON	Riverton - Midway Avenue - Main Street to Elm Terrace	$304,000	Replace	1,600	8.00	Ductile Iron	1920's	4	Concrete	System Flows and Pressure	120	TBD	Yes	30
442	Southwest Operating Area	RIVERTON	Riverton - 3rd Street - Penn Street to Church Lane	$62,700	Replace	300	4.00	Ductile Iron	1920's	6	Concrete	System Flows and Pressure	120	2016Q1	Yes	30
526	Southwest Operating Area	RIVERTON	Riverton - Main Street - Broad Street to 8th Street	$134,000	Replace	600	12.00	Ductile Iron	Pre-1900	6	Galvanized Steel	Safety and Reliability/Structural	120	TBD	Yes	50
1829	Southwest Operating Area	RIVERTON	Riverton - 7th Street - Cedar Street to Lincoln Avenue	$170,000	Replace	3,020	6.00	Ductile Iron	Pre 1900	4	Concrete	Water Quality	120	2016Q1		30
7112	Southwest Operating Area	RIVERTON	Riverton - Cedar Street, 9th Street and 10th Street only-47 to Woodside Lane	$1,719,000	Replace	3,010	8.00	Ductile Iron	Pre-1900	6	Cement	Safety and Reliability/Structural	120	2016Q1		50
5349	Central Operating Area	ROSELLE BOROUGH	6th Ave - From Eaglen St. to Dead End	$262,600	Replace	1,300	8.00	Ductile Iron	1910's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q1	Yes	20
96	Central Operating Area	ROSELLE PARK BOROUGH	Roselle Park - Roosevelt Place Paved 3009 - 5 yr morbetween Lincoln and Webster	$108,000	Replace	600	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	30

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Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
853	Central Operating Area	ROSELLE PARK BOROUGH	Roselle Park - E. Grand Ave from Pershing Ave to Chestnut St.	$250,000	Replace	2,100	8.00	Ductile Iron	1910's	6	Cast Iron	Relocation/Opportunity	120	TBD	Yes	20
6646	Central Operating Area	ROSELLE PARK BOROUGH	Colonial Rd (Bender to Raglund)	$107,600	Replace	513	8.00	Ductile Iron	1960's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7026	Central Operating Area	ROSELLE PARK BOROUGH	Ashwood Ave. (W. Colfax to Amsterdam)	$177,000	Replace	885	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7029	Central Operating Area	ROSELLE PARK BOROUGH	Bender Ave. (E. Lincoln to E. Grant)	$171,400	Replace	857	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7036	Central Operating Area	ROSELLE PARK BOROUGH	W. Colfax Ave (Laurel to Chestnut)	$343,800	Replace	2,719	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7031	Central Operating Area	ROSELLE PARK BOROUGH	W. Lincoln Ave. (Faraday to Laurel)	$262,800	Replace	1,319	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD		20
7012	Central Operating Area	ROSELLE PARK BOROUGH	W. Webster Ave (Fayette to Laurel)	$205,400	Replace	1,027	8.00	Ductile Iron	1910's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5806	Coastal Operating Area	RUMSON	Tenack Court La Main Replacement	$163,000	Replace	1,100	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability	120	2016Q4		20
6499	Coastal Operating Area	RUMSON	Center Street Main Replacement	$115,000	Replace	825	8.00	PVC	1920's	2	Galvanized Steel	Safety and Reliability	120	TBD		30
5805	Southwest Operating Area	RUNNEMEDE	Runnemede - Irish Hill Road and N 9th Street - East Clements Bridge Road to Dead End	$851,300	Replace	1,850	12.00	Ductile Iron	1960's	6	Cast Iron	System Flows and Pressure	120	TBD		30
5971	Southwest Operating Area	RUNNEMEDE	Runnemede - West 1st Avenue - North Black Horse Pike to WMU-13886	$70,500	Replace	370	8.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD		30
310	Central Operating Area	SCOTCH PLAINS TWP	Scotch Plains - Rehab	$2,323,000	Rehab	31,000	6.00	Other	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
6619	Central Operating Area	SCOTCH PLAINS TWP	Park Ave (Route 22 to Portland)	$841,375	Replace	3,739	12.00	Ductile Iron	1900's	Unknown	Cast Iron	System Flows and Pressure	120	TBD		30
7061	Central Operating Area	SCOTCH PLAINS TWP	Fairway Ct (Lake Ave to Cul De Sac)	$207,000	Replace	1,035	8.00	Ductile Iron	1960's	6	Cast Iron	System Flows and Pressure	120	TBD		20
588	Coastal Operating Area	SEA BRIGHT	Sea Bright - Center St. - From Ocean to Terminus	$90,000	Replace	600	6.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
5809	Coastal Operating Area	SEA BRIGHT	Shrewsbury Way Main Replacement	$60,000	Replace	400	8.00	Ductile Iron	1920's	2	Cast Iron	Safety and Reliability	120	TBD		20
5810	Coastal Operating Area	SEA BRIGHT	Center Street Main Replacement	$77,250	Replace	515	6.00	Ductile Iron	1920's	3	Cast Iron	Safety and Reliability	120	2016Q4		30
5911	Coastal Operating Area	SEA BRIGHT	Ocean Ave (Rt 36) Main Replacement South	$1,000,000	Replace	2,300	16.00	Ductile Iron	1920's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		20
5974	Coastal Operating Area	SEA BRIGHT	Install Structural liner for 16 PCCP underwater crossing	$1,000,000	Replace	700	16.00	Other	1950's	16	PCCP	Safety and Reliability/Structural	120	2016Q4		90
7044	Coastal Operating Area	SHREWSBURY	Replace 8" main on Shadow Brook Road	$131,000	Replace	872	8.00	Ductile Iron	1920's	3	Galvanized Steel	Safety and Reliability/Structural	120	2016Q4		30
169	Southwest Operating Area	SOMERDALE	Somerdale - Somerdale Road - Under railroad crossing	$40,000	Replace	200	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability	120	TBD	Yes	20
5963	Southwest Operating Area	SOMERDALE	Somerdale - Cypress Avenue - Gloucester Avenue to Dead End	$49,400	Replace	260	4.00	Ductile Iron	1950's	2.25	Cast Iron	System Flows and Pressure	120	TBD		30
5967	Southwest Operating Area	SOMERDALE	Somerdale - Arlmby Avenue - North Warwick Road to Dead End	$110,200	Replace	580	8.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
5968	Southwest Operating Area	SOMERDALE	Somerdale - Cedar Avenue - North White Horse Pike to Dead End	$338,100	Replace	1,780	8.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
7116	Southwest Operating Area	SOMERDALE	Somerdale - Warwick Road (CR-669) @ Atlantic Avenue (CR-737) - Railroad Crossing	$200,000	Replace	700	8.00	Ductile Iron	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
181	Coastal Operating Area	SOMERS POINT	Somers Point - Shore Road - Between Connecticut Avenue & Bethel Road (AC-8-4D) (Mast ended 2010)	$110,000	Replace	440	12.00	Ductile Iron	1940's	6	Ductile Iron	System Flows and Pressure	120	TBD	Yes	0
182	Coastal Operating Area	SOMERS POINT	Somers Point - Shore Road - Between Bethel Road & Maryland Avenue (AC-8-4D)	$302,500	Replace	1,210	12.00	Ductile Iron	1920's	6	Asbestos Cement	System Flows and Pressure	120	TBD	Yes	10
183	Coastal Operating Area	SOMERS POINT	Somers Point - Maryland Avenue - Between Shore Road & Sunset Avenue (AC-8-4D)	$72,500	Replace	290	12.00	Ductile Iron	1970's	8	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
184	Coastal Operating Area	SOMERS POINT	Somers Point - Maryland Avenue - Between Sunset Avenue & Bay Avenue (AC 8-4D)	$207,500	Replace	830	12.00	Ductile Iron	1970's	8	Ductile Iron	System Flows and Pressure	120	TBD	Yes	0
185	Coastal Operating Area	SOMERS POINT	Somers Point - Maryland Avenue - Between Bay Avenue & Lyncch Avenue (AC-8-4D)	$167,500	Replace	670	12.00	Ductile Iron	1970's	8	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
206	Coastal Operating Area	SOMERS POINT	Somers Point - Shore Road - Between Maryland Avenue & Groveland Avenue	$82,500	Replace	330	12.00	Ductile Iron	1920's	6	Asbestos Cement	System Flows and Pressure	120	TBD	Yes	10
209	Coastal Operating Area	SOMERS POINT	Somers Point - Shore Road - Between Groveland Avenue and Ocean Heights Avenue	$805,000	Replace	3,220	12.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
5643	Coastal Operating Area	SOMERS POINT	Sunny Avenue between Groveland Avenue and Pierson Avenue	$145,800	Replace	1,040	8.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	2016Q3		10
5642	Coastal Operating Area	SOMERS POINT	Pierson Avenue from Sunny Avenue to 230' feet east of Sunny Avenue	$72,200	Replace	230	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability/Structural	120	2016Q4		20
6231	Coastal Operating Area	SOMERS POINT	SP - 10th from Laurel to New York	$157,600	Replace	788	8.00	Ductile Iron	1950's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6233	Coastal Operating Area	SOMERS POINT	SP - 1st Street replacement from Connecticut to Rhode Island	$80,000	Replace	400	8.00	Ductile Iron	1980's	3	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6293	Coastal Operating Area	SOMERS POINT	SP - 1st Street replacement from Johnson to Bowes	$189,200	Replace	946	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6295	Coastal Operating Area	SOMERS POINT	SP - 2nd Street replacement from Rhode Island to Connecticut	$83,600	Replace	418	8.00	Ductile Iron	1940's	2	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6237	Coastal Operating Area	SOMERS POINT	SP - 4th Street replacement from Dobbs to W. New Jersey Avenue	$62,600	Replace	313	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6238	Coastal Operating Area	SOMERS POINT	SP - 4th Street replacement from Rhode Island to Tudor	$55,600	Replace	278	8.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD		20

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6340	Coastal Operating Area	SOMERS POINT	SP - 5th replacement from New York to Rhode Island	$142,000	Replace	710	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6341	Coastal Operating Area	SOMERS POINT	6th Street replacement from New York to Massachusetts Ave	$260,000	Replace	1,300	8.00	HDPE	1960's	3	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6313	Coastal Operating Area	SOMERS POINT	SP - Village Drive between Lantern Lane and US Route 9	$461,170	Replace	3,075	12.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6314	Coastal Operating Area	SOMERS POINT	SP - Dogwood Lane between Village Drive and S Laurel Drive	$90,000	Replace	450	12.00	Ductile Iron	1960's	8	Cast Iron	System Flows and Pressure	120	TBD		20
6315	Coastal Operating Area	SOMERS POINT	SP - Violet Lane between S. Laurel Drive and N. Laurel Drive	$308,300	Replace	1,000	12.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6316	Coastal Operating Area	SOMERS POINT	SP - Amber Road between W. Laurel Drive and W Groveland Avenue	$775,000	Replace	2,625	12.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6317	Coastal Operating Area	SOMERS POINT	SP - W. Groveland Avenue between Amber Road to US Route 9	$400,000	Replace	1,753	12.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6463	Coastal Operating Area	SOMERS POINT	SP - Maryland Ave between Shore Road and Bethel Road	$250,000	Replace	1,000	16.00	Ductile Iron	1910's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6464	Coastal Operating Area	SOMERS POINT	SP - Marks Road between Rhode Island Ave (SP Tank) and Maryland Ave	$367,500	Replace	1,330	16.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		30
6319	Coastal Operating Area	SOMERS POINT	SP - E. Laurel Dr & E. Village Dr between Braddock Dr and US Rt 9	$322,000	Replace	1,110	12.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6520	Coastal Operating Area	SOMERS POINT	SP - US Rt 9 between Village Drive and Holly Hills Dr/E. Village Dr	$85,000	Replace	350	12.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6534	Coastal Operating Area	SOMERS POINT	SP - US Rt 9 between Village Drive and S. Village Drive	$130,000	Replace	600	12.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6527	Coastal Operating Area	SOMERS POINT	SP - S. Village Dr/Holly Hills between US Rt 9 and N Village Dr	$580,000	Replace	2,900	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6530	Coastal Operating Area	SOMERS POINT	SP - S. Village Dr between Holly Hills Dr and Dogwood Ln	$280,000	Replace	1,400	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6531	Coastal Operating Area	SOMERS POINT	SP - N. Village Drive between Dogwood Dr and Holly Hills Dr	$122,500	Replace	700	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6532	Coastal Operating Area	SOMERS POINT	SP - S Laurel Dr between Violet Lane and Rose Lane	$75,000	Replace	425	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6940	Coastal Operating Area	SOMERS POINT	Shore Road between New Jersey Ave and Connecticut Ave	$260,000	Replace	2,400	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5423	Central Operating Area	SOMERVILLE BOROUGH	Lorser Ave Main Replacement	$250,000	Replace	900	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q4		10
5424	Central Operating Area	SOMERVILLE BOROUGH	South Gaston Ave Main Replacement	$250,000	Replace	800	8.00	Ductile Iron	1920's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q4		20
5699	Central Operating Area	SOMERVILLE BOROUGH	Mechanic Street Main Replacement	$150,000	Replace	600	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	2016Q4		20
5700	Central Operating Area	SOMERVILLE BOROUGH	Park Ave Main Replacement	$121,000	Replace	900	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	2016Q4		30
5796	Central Operating Area	SOMERVILLE BOROUGH	Eastern Avenue Main Replacement	$440,000	Replace	2,200	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q2		30
5797	Central Operating Area	SOMERVILLE BOROUGH	North Clark Avenue Main Replacement	$520,000	Replace	2,600	8.00	Ductile Iron	1930's	6	Unknown	Safety and Reliability/Structural	120	2016Q4		30
5798	Central Operating Area	SOMERVILLE BOROUGH	North Bathgate Avenue Main Replacement	$260,000	Replace	1,300	8.00	Ductile Iron	1930's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		20
6625	Central Operating Area	SOMERVILLE BOROUGH	Veterans Memorial Drive 6" main replacement between New St and S. Doughty Ave	$70,000	Replace	440		Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	2016Q1		20
6719	Central Operating Area	SOMERVILLE BOROUGH	Bartine Avenue Main Replacement	$300,000	Replace	1,150	6.00	Ductile Iron	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5681	Central Operating Area	SOUTH BRUNSWICK TWP	Euclid Ave Main Replacement	$200,000	Replace	700	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q1		10
5682	Central Operating Area	SOUTH BRUNSWICK TWP	Heathcote Brook Rd Main replacement	$250,000	Replace	800	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q1		10
5684	Central Operating Area	SOUTH BRUNSWICK TWP	Prospect St main replacement	$150,000	Replace	400	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	2016Q1		10
5685	Central Operating Area	SOUTH BRUNSWICK TWP	Prospect St main replacement	$150,000	Replace	400	8.00	Ductile Iron	1920's	4	Cast Iron	Safety and Reliability/Structural	120	2016Q3		10
8455	North Operating Area	SOUTH ORANGE	SOUTH ORANGE - Summit Ave from Parker Ave to dead end	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
294	Central Operating Area	SOUTH PLAINFIELD BOROUGH	South Plainfield - Park Avenue - Bridge Reconstruction	$1,100,000	Replace	300	36.00	Ductile Iron	Unknown	36	PCCP	Relocation/Opportunity	120	TBD	Yes	50
7167	Central Operating Area	SOUTH PLAINFIELD BOROUGH	Durham Avenue	$378,608	Replace	150	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability	120	2016Q3		10
8338	North Operating Area	SPRINGFIELD	Walnut St from Morris to Church Mall	$116,000	Replace	380	6.00	Ductile Iron	1900's	0.75	Galvanized Steel	Safety and Reliability	120	TBD		30
6836	North Operating Area	SPRINGFIELD	SPRINGFIELD - Briar Hills Circle from Wonig Ave to Mountain Ave	$630,000	Replace	3,800	6.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6838	North Operating Area	SPRINGFIELD	SPRINGFIELD - Pin Rd from Shunpike Rd to Mountain Ave	$360,000	Replace	2,800	6.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6839	North Operating Area	SPRINGFIELD	SPRINGFIELD - Riverside Dr from Coin St to Maple Ave	$340,000	Replace	1,200	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6840	North Operating Area	SPRINGFIELD	SPRINGFIELD - Riverside Dr from Coin St to Bethlehem Ave	$140,000	Replace	700	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10

Id	District	Municipality	Project Title	RJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
6862	North Operating Area	SPRINGFIELD	SPRINGFIELD Shunpike Rd from Mountain Ave to I-78	$840,000	Replace	4,200	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6863	North Operating Area	SPRINGFIELD	SPRINGFIELD Skylark Rd from Tree Top Dr to Green Hill Rd	$1,100,000	Replace	5,500	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6864	North Operating Area	SPRINGFIELD	SPRINGFIELD - Colonial Rd from Evergreen Rd to West End Ave	$280,000	Replace	1,400	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6877	North Operating Area	SPRINGFIELD	SPRINGFIELD Route 22 east and west	$2,000,000	Replace	10,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		20
6934	North Operating Area	SPRINGFIELD	SPRINGFIELD Denham Rd from Dennis Rd to Morrison Rd	$220,000	Replace	1,100	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6935	North Operating Area	SPRINGFIELD	SPRINGFIELD Golf Oval from Mountain Ave	$260,000	Replace	1,300	8.00	Ductile Iron	1970's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6938	North Operating Area	SPRINGFIELD	SPRINGFIELD Sharon Rd from Highland Ave to Summit Rd	$140,000	Replace	700	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
6939	North Operating Area	SPRINGFIELD	SPRINGFIELD Elmwood Ave / Cottler Ave from Milltown Rd	$300,000	Replace	1,500	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6944	North Operating Area	SPRINGFIELD	SPRINGFIELD Colfax Rd from Denham to Short Hills Ave	$270,000	Replace	1,350	8.00	Ductile Iron	1940's	6	Cast Iron	Safety and Reliability	120	TBD		20
6945	North Operating Area	SPRINGFIELD	SPRINGFIELD - Severna Ave from Denham to Short Hills Ave	$270,000	Replace	1,350	8.00	Ductile Iron	1940's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
6946	North Operating Area	SPRINGFIELD	SPRINGFIELD Meeker from Severna to Morris	$100,000	Replace	500	8.00	Ductile Iron	1940's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
6947	North Operating Area	SPRINGFIELD	SPRINGFIELD Marcy from Severna to Morris	$120,000	Replace	600	8.00	Ductile Iron	1920's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
6948	North Operating Area	SPRINGFIELD	SPRINGFIELD - Green Hill Rd from Tree Top to Highland	$440,000	Replace	2,200	8.00	Ductile Iron	1960's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
6949	North Operating Area	SPRINGFIELD	SPRINGFIELD Essex from Becker to Springfield	$140,000	Replace	700	8.00	Ductile Iron	1950's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
6950	North Operating Area	SPRINGFIELD	SPRINGFIELD Becker from Lelah to south of Derby	$200,000	Replace	1,000	8.00	Ductile Iron	1950's	6	Cast Iron	Relocation/Opportunity	120	TBD		20
6951	North Operating Area	SPRINGFIELD	SPRINGFIELD Stern from Springfield to Commerce	$220,000	Replace	1,100	8.00	Ductile Iron	1950's	4	Cast Iron	Relocation/Opportunity	120	TBD		30
5964	Southwest Operating Area	STRATFORD	Stratford - Cornell Avenue, North Atlantic Avenue to North White Horse Pike	$494,000	Replace	2,600	8.00	Ductile Iron	1950's	4	Steel	System Flows and Pressure	120	TBD		10
7175	Southwest Operating Area	STRATFORD	Stratford - Winding Way Road - WEST - Hillside Road to Timber Creek Road	$722,000	Replace	3,800	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
7176	Southwest Operating Area	STRATFORD	Stratford - Winding Way Road - EAST - Timber Creek Road to Longwood Drive	$665,000	Replace	3,500	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
42	North Operating Area	SUMMIT	Summit - Ashland Rd	$380,000	Replace	1,900	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
44	North Operating Area	SUMMIT	Summit - Evergreen Rd	$180,000	Replace	900	8.00	Ductile Iron	1920's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
45	North Operating Area	SUMMIT	Summit - Plymouth, Devon & Mountain (intersection)	$25,000	Replace	70	6.00	Ductile Iron	1980's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
145	North Operating Area	SUMMIT	Summit - Cottage (Carriage)	$43,750	Replace	250	6.00	Ductile Iron	1930's	2	Galvanized Steel	System Flows and Pressure	120	TBD	Yes	10
6712	North Operating Area	SUMMIT	SUMMIT - Caldwell Ave from Clark St to Springfield Ave	$160,000	Replace	800	8.00	Ductile Iron	1950's	3.25	Cast Iron	Safety and Reliability	120	TBD		10
6866	North Operating Area	SUMMIT	SUMMIT - Constantine Pl from Passaic Ave to Springfield Ave	$320,000	Replace	1,600	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6867	North Operating Area	SUMMIT	SUMMIT - Druid Hill Rd from Silver Lake Dr to Surrey Rd	$420,000	Replace	2,100	8.00	Galvanized Steel	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6868	North Operating Area	SUMMIT	SUMMIT - Gates Ave from Morris Ave to Montrose Ave	$180,000	Replace	900	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6869	North Operating Area	SUMMIT	SUMMIT - Knob Hill Dr from Division Ave to Portland Rd	$340,000	Replace	1,700	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6870	North Operating Area	SUMMIT	SUMMIT - Rotary Dr from Highland Dr to Ashland Rd (Gradient line)	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6871	North Operating Area	SUMMIT	SUMMIT - Shunpike Rd from Harvard St to Yale St	$200,000	Replace	1,000	8.00	Ductile Iron	Unknown	2	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6872	North Operating Area	SUMMIT	SUMMIT - Woodland Ave from River Rd to Canoe Brook Pkwy	$170,000	Replace	850	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6873	North Operating Area	SUMMIT	SUMMIT - Hill Ave/Beech Spring Dr loop from Constantine Pl	$340,000	Replace	1,700	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6886	North Operating Area	SUMMIT	SUMMIT - Kent Place Blvd from High St to HSU 175 east of Passaic Ave	$700,000	Replace	3,500	8.00	Ductile Iron	Unknown	4	Cast Iron	Water Quality	120	TBD		20
6890	North Operating Area	SUMMIT	SUMMIT - Glenside Ave from Van Dyke to Baltusrol Way	$560,000	Replace	2,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6891	North Operating Area	SUMMIT	SUMMIT - Division Ave from Knob Hill to Valley View Ave	$320,000	Replace	1,600	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6892	North Operating Area	TEWKSBURY TWP	TEWKSBURY Hollow Brook Rd from Homestead Rd to dead end of main	$1,100,000	Replace	5,500	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6893	North Operating Area	TEWKSBURY TWP	TEWKSBURY McCanns Mill Rd from Fairmount Rd to Beets Rd	$160,000	Replace	800	8.00	Ductile Iron	Unknown	2	Other	Safety and Reliability/Structural	120	TBD		10

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589	Coastal Operating Area	TINTON FALLS	Tinton Falls - Sylvan Dr, from Glenwood to Riverdge	$67,500	Replace	450	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	30
124	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Haddonfield Ave from Rt 35 N to terminus (boardwalk).	$108,000	Replace	720	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
125	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Bryn Mawr Ave from Rt 35 S to terminus (boardwalk).	$196,500	Replace	1,310	8.00	Ductile Iron	1950's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
126	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Sterling Ave from Bryn Mawr Ave to terminus.	$94,000	Replace	470	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
127	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Barnegat Way from Rt 35 S to Ocean Rd, along Ocean Rd to Shore Way, along Shore Way to Terminus.	$550,000	Replace	2,650	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	2016Q1	Yes	10
128	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - E. Bay Way from 6"-2" reducer just east of Rt 35 S to Ocean Rd	$236,000	Replace	1,180	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	2016Q1	Yes	10
477	Coastal Operating Area	TOMS RIVER	Ortley - 4th Ave (from Bay Blvd to Delaware Ave)	$193,000	Replace	900	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	2016Q4	Yes	20
599	Coastal Operating Area	TOMS RIVER	Toms River - Bayshore Drive (from ___ to ___)	$74,000	Replace	370	6.00	Ductile Iron	1950's	2	Galvanized Steel	Water Quality	120	2016Q4	Yes	10
603	Coastal Operating Area	TOMS RIVER	Toms River - Sand Dune Lane (From 1st Ave to Ocean Terrace)	$47,500	Replace	360	6.00	Ductile Iron	1950's	2	Galvanized Steel	Water Quality	120	2016Q4	Yes	10
604	Coastal Operating Area	TOMS RIVER	Toms River - Inlet Road	$80,000	Replace	150	6.00	Ductile Iron	1950's	2	Galvanized Steel	Water Quality	120	2016Q4	Yes	10
608	Coastal Operating Area	TOMS RIVER	Toms River - Ocean Road (from Barnegat Way to Beach Way)	$72,000	Replace	360	6.00	Ductile Iron	1950's	2	Galvanized Steel	Water Quality	120	2016Q4	Yes	10
689	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Westmont Ave from Rt 35 N to terminus (boardwalk).	$109,500	Replace	730	8.00	Ductile Iron	1950's	4	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
690	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - E & W Beach Way from Ocean Rd to terminus	$370,000	Replace	1,350	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
692	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Spray Way from Ocean Rd to terminus.	$184,000	Replace	670	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
694	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Rutherford Ln from Rt 35 S to Rt 35 N.	$74,400	Replace	670	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
700	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Las Vegas Rd from Rt 35 N to 6"-3" reducer Dr retire 3" CIL and install 6" DI from Las Vegas Rd north to Catalina Dr.	$48,000	Replace	400	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
701	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Del Mar Dr from Catalina Dr to Malibu Rd, along Malibu Rd to Ocean Dr, along Ocean Dr to 6"-2" reducer.	$93,600	Replace	780	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
702	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Coronado Rd from Del Mar Dr to Ocean Rd	$60,000	Replace	500	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
708	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Harbor Dr from Rt 35 S to terminus (bay)	$238,000	Replace	1,190	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
709	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Gull Ln from Rt 35 S to emend to Snail Rd, connect to Harbor Dr.	$174,000	Replace	890	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
710	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Beacon Rd from Harbor Dr to terminus.	$12,000	Replace	60	4.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
711	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Spar Rd from Harbor Dr to terminus.	$14,000	Replace	70	4.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
712	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Helm Rd from Harbor Dr to terminus.	$22,000	Replace	110	4.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
713	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Dory Rd from Gull To Terminus	$52,000	Replace	260	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
714	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Anchor Rd from Harbor Dr to terminus.	$26,000	Replace	130	4.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
715	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Marina Rd from Harbor Dr to terminus.	$26,000	Replace	130	4.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
716	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - PILOT Rd from Harbor Rd to terminus	$26,000	Replace	130	4.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
717	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Cove Way from Rt 35 S to 6"-2" reducer in Harbor Dr/Loch Ln intersection	$76,800	Replace	640	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
719	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Tuna Way from Rt 35 N to Cod Way	$124,000	Replace	620	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
720	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Osprey Ln from Rt 35 N to Cod Way.	$124,000	Replace	620	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
721	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Cod Way from W Tuna to W Amberjack Way.	$90,000	Replace	450	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10

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722	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Albacore Way from Gee Way to Sea View Rd	$252,000	Replace	1,760	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
723	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Plover Way from Gee Way to Rt 35 N	$130,000	Replace	850	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
724	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Amberjack Way/BeachWay from Sea View Rd to Dawn Ln, along Dawn Ln to Sailfish Way	$380,000	Replace	1,900	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
726	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Bonita Way from Rt 35 S to Sea View Rd.	$280,000	Replace	1,400	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
727	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Crane Way from Rt 35 S to Sea View Rd.	$280,000	Replace	1,400	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
736	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Tarpon Way from Rt 35 S to Sea View Rd.	$276,000	Replace	1,380	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
737	Coastal Operating Area	TOMS RIVER	Toms River Twp - W Bay View Drive (Rt35S to Rt35N)	$136,000	Replace	680	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
738	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Heron Ln from Bay View Dr to terminus	$81,600	Replace	430	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
739	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Sunset Ln from Bay View Dr to terminus.	$57,600	Replace	480	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
740	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Teal Ln from Bay View Dr to terminus.	$58,800	Replace	490	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
741	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Meadrise Ln from Bay View Dr to terminus, retire 2" CIL along Bay View Dr.	$75,600	Replace	630	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
742	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Kingsbarr Way from Rt 35 S to Rt 35 N (could extend to Rt 35 S)	$148,000	Replace	740	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
746	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Strickland Blvd from Rt 35 N to 8"-6" reducer (bay)	$304,000	Replace	1,360	6.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	10
747	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Bay Shore Dr from Strickland Blvd to terminus	$99,600	Replace	390	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
748	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Fort Meyers Ct end to end.	$68,400	Replace	570	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
749	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Naples Ct end to end.	$25,200	Replace	210	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
750	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Boynton Ct from Miami Dr to terminus (connect Miami Dr between Coral Gables Dr and Daytona Dr).	$20,400	Replace	170	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
751	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Johnson Rd from Rt 35 S to terminus (bay).	$84,000	Replace	700	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
752	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - Surf Way from Rt 35 N to Ocean Rd	$72,000	Replace	600	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
756	Coastal Operating Area	TOMS RIVER	Toms River Twp - Monterey - 2nd Ave from Rt 35 N to 8"-2" reducer.	$79,600	Replace	630	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
764	Coastal Operating Area	TOMS RIVER	E & W Shore Way	$67,500	Replace	450	8.00	Ductile Iron	1950's	1	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
7144	Coastal Operating Area	TOMS RIVER	Melody Lane (Railroad to Terminus)	$195,000	Replace	975	6.00	Ductile Iron	1950's	3	Cast Iron	Safety and Reliability	120	2016Q3		30
7145	Coastal Operating Area	TOMS RIVER	Railroad (From Harbor to Gull)	$220,000	Replace	1,100	8.00	Ductile Iron	Unknown	Unknown	Asbestos Cement	Safety and Reliability	120	2016Q3		20
7146	Coastal Operating Area	TOMS RIVER	Railroad (From Harbor to Gull)	$30,000	Replace	150	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability	120	2016Q1		30
7147	Coastal Operating Area	TOMS RIVER	W Tarpon Way (Rt35S to Rt35N)	$134,000	Replace	670	8.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability	120	2016Q1		30
7148	Coastal Operating Area	TOMS RIVER	W Bay View Drive (Rt35S to Rt35N)	$136,000	Replace	680	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q1		30
7149	Coastal Operating Area	TOMS RIVER	W Penguin Way (Rt35S to Rt35N)	$140,000	Replace	700	6.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q1		20
7150	Coastal Operating Area	TOMS RIVER	E Sandpiper Way (Rt35N to Sea View)	$120,000	Replace	600	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q1		20
7151	Coastal Operating Area	TOMS RIVER	E Penguin (Rt35N to Sea View)	$120,000	Replace	600	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q1		20
7152	Coastal Operating Area	TOMS RIVER	E Plover (Rt35N to Sea View)	$120,000	Replace	600	8.00	Ductile Iron	1950's	8	Asbestos Cement	Safety and Reliability	120	2016Q1		20
7153	Coastal Operating Area	TOMS RIVER	Sea View (E Tuna to E Sandpiper)	$210,000	Replace	1,050	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	2016Q3		20
6711	Coastal Operating Area	UNION BEACH	Dock Street -Replace 1950' of 6" cast iron main from Florence Avenue to Front Street	$292,500	Replace	1,950	8.00	PVC	1940's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		20
5579	Central Operating Area	UNION TWP	Valley St. (Maple to Crestview to Springfield Ave.)	$319,000	Replace	1,593	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	2016Q1		30
5580	Central Operating Area	UNION TWP	Raymond Terr.	$46,000	Replace	218	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	2016Q1		10
5585	Central Operating Area	UNION TWP	Valley St. (Maple Ave. to Springfield Ave.)	$517,000	Replace	2,582	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	2016Q1		30
6610	Central Operating Area	UNION TWP	Bennet Ct. (Johnson to End)	$70,400	Replace	352	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6807	Central Operating Area	UNION TWP	Kawameeh Ln (Kawameeh to Dead End)	$26,250	Replace	130	6.00	Ductile Iron	1940's	1.5	Cast Iron	Water Quality	120	TBD		20
6808	Central Operating Area	UNION TWP	Charles Ave. (Grandview to Coolidge)	$117,800	Replace	589	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6810	Central Operating Area	UNION TWP	Springfield Ave. (Valley to Vauxhall Rd.)	$443,000	Replace	2,215	6.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		30
6811	Central Operating Area	UNION TWP	M-Rer St. (Springfield to Dead End)	$71,925	Replace	431	6.00	Ductile Iron	1920's	4	Cast Iron	Water Quality	120	TBD		20
6812	Central Operating Area	UNION TWP	Stiles St. (Springfield to Wilson)	$213,800	Replace	1,069	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20

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6823	Central Operating Area	UNION TWP	Tower St. (Springfield to Hilton)	$399,400	Replace	997	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
6824	Central Operating Area	UNION TWP	South St. (Vauxhall to Valley)	$112,800	Replace	564	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
7035	Central Operating Area	UNION TWP	South St. (Valley St. to Vauxhall Rd)	$114,600	Replace	573	8.00	Ductile Iron	1920's	4	Cast Iron	System Flows and Pressure	120	TBD		20
278	Coastal Operating Area	UPPER TWP	Upper Township - Commonwealth Avenue - Between Vincent Avenue & Willard Avenue (ST-8-5)	$297,500	Replace	950	12.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
6125	Coastal Operating Area	UPPER TWP	Webster Avenue Replacement of 8 Inch Cast Iron from Commonwealth Avenue to end	$98,800	Replace	494	8.00	Ductile Iron	1950's	8	Cast Iron	System Flows and Pressure	120	TBD		20
6127	Coastal Operating Area	UPPER TWP	Commonwealth Avenue from Ocean Drive to Webster Avenue	$111,000	Replace	555	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		20
6148	Coastal Operating Area	UPPER TWP	Seaview Avenue from North Commonwealth Avenue to Neptune Drive	$100,000	Replace	500	8.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD		10
6149	Coastal Operating Area	UPPER TWP	East Seacliff Road from North Commonwealth Avenue to Neptune Drive	$100,000	Replace	500	8.00	Ductile Iron	1950's	4	Cast Iron	System Flows and Pressure	120	TBD		10
6150	Coastal Operating Area	UPPER TWP	Neptune Drive from Seaview Avenue to Williams Avenue	$170,000	Replace	850	8.00	Ductile Iron	1950's	8	Cast Iron	System Flows and Pressure	120	TBD		10
6508	Coastal Operating Area	UPPER TWP	UT -E. Windsor Avenue between Commonwealth Ave and Neptune Dr	$108,000	Replace	500	8.00	PVC	2000's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6509	Coastal Operating Area	UPPER TWP	UT - Williams Avenue between Commonwealth Ave and Neptune Drive	$100,000	Replace	500	8.00	PVC	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6511	Coastal Operating Area	UPPER TWP	UT -E. Vincent Avenue between Commonwealth Ave and the beach	$98,000	Replace	490	6.00	PVC	1930's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6513	Coastal Operating Area	UPPER TWP	UT -E. Whittier Avenue between Commonwealth Ave and the beach	$100,000	Replace	500	6.00	PVC	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6513	Coastal Operating Area	UPPER TWP	UT - E. Willard Avenue between Commonwealth Ave and the beach	$98,000	Replace	490	6.00	PVC	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6515	Coastal Operating Area	UPPER TWP	UT - W. Whittier Avenue between Bayview Dr and Commonwealth Ave	$60,000	Replace	290	8.00	PVC	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6516	Coastal Operating Area	UPPER TWP	UT - E. Sumner Avenue between Commonwealth Ave and the Beach	$90,000	Replace	450	6.00	Ductile Iron	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
6518	Coastal Operating Area	UPPER TWP	UT - E. Sherman Avenue between Commonwealth Ave and the Beach	$79,000	Replace	395	6.00	PVC	1940's	2	Galvanized Steel	Safety and Reliability/Structural	120	TBD		20
372	Southwest Operating Area	VOORHEES	Voorhees - Oak Hollow Court - Off of Hollow Drive	$76,000	Replace	400	2.00	HDPE	1970's	2	HDPE	Safety and Reliability/Structural	120	2016Q1	Yes	10
1367	Southwest Operating Area	VOORHEES	Voorhees - Peregrine and Evesham - Across PSE&G R O W	$157,500	Replace	700			Unknown	Unknown	Unknown	System Flows and Pressure	120	TBD		10
3955	Southwest Operating Area	VOORHEES	Voorhees - Burlington Avenue - Somerdale Road to Dead End	$253,000	Replace	1,350	8.00	Ductile Iron	1950's	6	Cast Iron	System Flows and Pressure	120	TBD		30
629	Coastal Operating Area	WALL	Wall - Belmar Blvd	$50,000	Replace	90	16	Steel	1900's	16	steel	Relocation/Opportunity	120	TBD	Yes	0
46	North Operating Area	WASHINGTON BOROUGH	Washington Boro - Flower Ave Harding to E Washington Ave	$360,000	Replace	1,600	12.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
139	North Operating Area	WASHINGTON BOROUGH	Washington Boro - West Warren, Between Lincoln and Grand	$117,500	Replace	900	6.00	Ductile Iron	1940's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
140	North Operating Area	WASHINGTON BOROUGH	Washington Boro - W Johnson, between Lincoln and Grand	$200,000	Replace	1,800	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
141	North Operating Area	WASHINGTON BOROUGH	Washington Boro - W Stewart, between Lincoln and Grand	$220,000	Replace	1,100	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
142	North Operating Area	WASHINGTON BOROUGH	Washington Boro - State Street between Lincoln and Grand	$240,000	Replace	1,200	8.00	Ductile Iron	1940's	4	Cast Iron	System Flows and Pressure	120	TBD	Yes	10
5796	North Operating Area	WASHINGTON BOROUGH	E. Johnson from Belvidere Ave to End of Main (Dead End)	$126,000	Replace	630	8.00	Ductile Iron	Pre-1900	4	Cast Iron	System Flows and Pressure	120	TBD		20
5738	North Operating Area	WASHINGTON BOROUGH	W Stuart Ave from Grand Ave to Lincoln Ave.	$208,000	Replace	1,040	8.00	Ductile Iron	Pre-1900	4	Cast Iron	System Flows and Pressure	120	TBD		20
5739	North Operating Area	WASHINGTON BOROUGH	W Stuart from Lincoln Ave to Belvidere Ave	$318,000	Replace	590	8.00	Ductile Iron	Pre-1900	4	Cast Iron	System Flows and Pressure	120	TBD		20
5740	North Operating Area	WASHINGTON BOROUGH	Flower Ave from Sunrise Terrace to Harding Dr.	$341,000	Replace	1,705	8.00	Ductile Iron	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		20
5741	North Operating Area	WASHINGTON BOROUGH	Broad Street from Townsend to Washburn Ave	$380,000	Replace	1,900	8.00	Ductile Iron	1930's	4	Asbestos Cement	System Flows and Pressure	120	TBD		20
5742	North Operating Area	WASHINGTON BOROUGH	E. Washington Ave from Jackson Ave to VBW-63 East of Flower Ave	$757,125	Replace	5,365	12.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	2016Q3		30
5745	North Operating Area	WASHINGTON BOROUGH	W Johnston from Grand Ave to Belvidere Avenue	$113,000	Replace	1,565	8.00	Ductile Iron	Pre-1900	4	Cast Iron	System Flows and Pressure	120	TBD		20
5746	North Operating Area	WASHINGTON BOROUGH	Townsend Ave from Broad Street going East to Valve VBW-68	$363,000	Replace	1,815	12.00	Ductile Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD		30
5747	North Operating Area	WASHINGTON BOROUGH	Gibson Place from Jackson Ave to Prosper Way	$221,000	Replace	1,105	8.00	Cast Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		30
5748	North Operating Area	WASHINGTON BOROUGH	Prosper Way from Gibson Place to E. Washington Ave	$233,000	Replace	1,165	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
5749	North Operating Area	WASHINGTON BOROUGH	Jackson Ave from Church Street to E. Washington Ave	$123,750	Replace	550	12.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20

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5753	North Operating Area	WASHINGTON BOROUGH	McDonald Street from Warren St to end at 16" main	$260,700	Replace	1,185	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD		20
5753	North Operating Area	WASHINGTON BOROUGH	Van Buren St from Prosper Way west end	$149,000	Replace	743	8.00	Ductile Iron	1960's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
5756	North Operating Area	WASHINGTON BOROUGH	Wyoming Ave from 6" DI main to hydrant HBW-40 to at McDonald St	$218,750	Replace	1,250	8.00	Ductile Iron	Pre 1900	6	Cast Iron	System Flows and Pressure	120	TBD		20
5757	North Operating Area	WASHINGTON BOROUGH	Birchwood Ave from Washburn Ave to End	$80,500	Replace	460	8.00	Ductile Iron	1970's	4	Asbestos Cement	System Flows and Pressure	120	TBD		20
6187	North Operating Area	WASHINGTON BOROUGH	NORTH WASHBURN	$80,000	Replace	400	8.00	Ductile Iron	1950's	4	Asbestos Cement	System Flows and Pressure	120	TBD		10
6218	North Operating Area	WASHINGTON BOROUGH	CHRISTINE	$90,000	Replace	450	8.00	Ductile Iron	1940's	6	Asbestos Cement	Safety and Reliability	120	TBD		10
130	North Operating Area	WASHINGTON TWP	Washington - Washburn Road Changewater to S Lincoln	$845,000	Replace	4,200	12.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	TBD	Yes	10
5749	North Operating Area	WASHINGTON TWP	Fisher Ave from Railroad Ave to Washburn Ave	$375,000	Replace	1,875	8.00	Ductile Iron	1930's	4	Cast Iron	Water Quality	120	TBD		20
5760	North Operating Area	WASHINGTON TWP	Washington Ave from Brass Castle Rd to Mill Pond Road	$725,000	Replace	2,900	16.00	Ductile Iron	1950's	8	Cast Iron	System Flows and Pressure	120	TBD		20
5761	North Operating Area	WASHINGTON TWP	Pond Hill Road from Parsonage Run to Kennedy Ave	$181,000	Replace	905	8.00	Ductile Iron	1960's	8	Cast Iron	System Flows and Pressure	120	TBD		20
5762	North Operating Area	WASHINGTON TWP	Jackson Valley Rd from Mine Hill Road end of main past Jackson Parkway	$937,000	Replace	3,720	12.00	Ductile Iron	1960's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
5764	North Operating Area	WASHINGTON TWP	Valley View Rd from End to Pohatcong Ave	$188,000	Replace	940	8.00	Asbestos Cement	1960's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
5765	North Operating Area	WASHINGTON TWP	Pohatcong Ave from Valley View Rd to Pohatcong Dr	$128,000	Replace	615	8.00	Ductile Iron	1960's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
5767	North Operating Area	WASHINGTON TWP	Pohatcong Dr from Pohatcong Ave to end	$307,000	Replace	1,535	8.00	Ductile Iron	1960's	6	Asbestos Cement	System Flows and Pressure	120	TBD		20
5768	North Operating Area	WASHINGTON TWP	Jackson Parkway from Pohatcong Dr to Jackson Valley Rd	$101,250	Replace	450	8.00	Ductile Iron	1960's	8	Asbestos Cement	System Flows and Pressure	120	TBD		20
6184	North Operating Area	WASHINGTON TWP	OLD SCHOOL HOUSE RD	$284,000	Replace	670	8.00	Ductile Iron	1930's	3	Galvanized Steel	System Flows and Pressure	120	TBD		10
6185	North Operating Area	WASHINGTON TWP	DOGWOOD LANE	$192,000	Replace	960	8.00	Ductile Iron	1930's	3	Galvanized Steel	System Flows and Pressure	120	TBD		20
5937	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Woolley Place from Monmouth Road to Baker Drive	$105,000	Replace	700	6.00	Ductile Iron	1950's	3	Cast Iron	System Flows and Pressure	120	TBD		20
5939	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Baker Drive from Woolley Place and Hendrickson Place	$105,000	Replace	700	8.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6089	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Maple Avenue on either side of Elmwood Avenue	$68,250	Replace	455	6.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6071	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Elmwood Avenue from Wall Street to north of Hollywood Avenue	$78,000	Replace	520	8.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6073	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Pine Avenue between Chestnut Place and Walnut Place	$73,500	Replace	490	6.00	Ductile Iron	1930's	2	Cast Iron	System Flows and Pressure	120	TBD		20
6146	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Woodland Drive	$188,500	Replace	790	8.00	Ductile Iron	1950's	6	Asbestos Cement	System Flows and Pressure	120	2016Q4		20
6189	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Poplar Avenue	$60,000	Replace	400	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability	120	TBD		20
6190	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Halsf Avenue	$99,000	Replace	660	6.00	Ductile Iron	1950's	2	Cast Iron	Safety and Reliability	120	2014Q4		30
6191	Coastal Operating Area	WEST LONG BRANCH	West Long Branch - Golf Street	$84,500	Replace	290	6.00	Ductile Iron	1950's	2	Cast Iron	System Flows and Pressure	120	2016Q4		20
49	North Operating Area	WEST ORANGE	West Orange - Mitchell St (Dot Colony & Sullivan)	$330,000	Replace	1,650	8.00	Ductile Iron	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	20
51	North Operating Area	WEST ORANGE	West Orange - Underwood Rd (between Blackstock and Torney)	$308,000	Replace	1,540	8.00	Ductile Iron	1960's	6	Cast Iron	Safety and Reliability/Structural	120	2018Q1	Yes	10
151	North Operating Area	WEST ORANGE	West Orange Rehab - Phase 6	$2,382,500	Rehab	22,550	16.00	Other	1930's	16	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
152	North Operating Area	WEST ORANGE	West Orange Rehab - Phase 2 Replace	$407,500	Replace	2,700	12.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
153	North Operating Area	WEST ORANGE	West Orange Rehab - Phase 3 Replace	$247,500	Replace	1,100	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
154	North Operating Area	WEST ORANGE	West Orange Rehab - Phase 4 Replace	$67,500	Replace	300	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
155	North Operating Area	WEST ORANGE	West Orange Rehab - Phase 5 Replace	$376,250	Replace	1,450	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	20
3422	North Operating Area	WEST ORANGE	Gregory Place	$170,000	Replace	850	8.00	Ductile Iron	1910's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6202	North Operating Area	WEST ORANGE	St. Cloud Avenue from Old Indian Road to Alverne Rd	$440,000	Replace	2,200	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6203	North Operating Area	WEST ORANGE	Fairview Ave from Birchwood Ave to Chestnut Rd	$345,000	Replace	1,400	6.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6204	North Operating Area	WEST ORANGE	Alverne Rd from St. Cloud Ave to Highland Blvd	$500,000	Replace	2,500	6.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6205	North Operating Area	WEST ORANGE	Edgewood Ave from Alverne Rd to Old Salem Rd	$367,000	Replace	1,835	6.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6206	North Operating Area	WEST ORANGE	St. Cloud Avenue, Chestnut Rd, Redmon Place, Sheridan Ave and Lenox Terrace	$1,807,500	Rehab	7,230	6.00		1950's	Unknown	Cast Iron	Water Quality	120	TBD		20
6217	North Operating Area	WEST ORANGE	Rock Spring Avenue from Northfield Ave to Chestnut Road	$402,000	Replace	2,010	8.00	Ductile Iron	1950's	6	Ductile Iron	Safety and Reliability/Structural	120	TBD		10
6219	North Operating Area	WEST ORANGE	Lessing Road from St. Cloud to Birchwood Ave	$316,000	Replace	1,580	8.00	Ductile Iron	1950's	6	Ductile Iron	Safety and Reliability/Structural	120	TBD		10
6230	North Operating Area	WEST ORANGE	Devonshire Terrace from Mt. Pleasant Ave to end cap past Nottingham Rd	$197,000	Replace	985	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6221	North Operating Area	WEST ORANGE	Woodland Avenue from Forest Avenue to Prospect Avenue	$413,000	Replace	2,065	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6224	North Operating Area	WEST ORANGE	Eagle Rock Ave from connection with 8" CI west of VWO-1432 to Laurel Rd	$206,000	Replace	1,030	8.00	Ductile Iron	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD		20

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6225	North Operating Area	WEST ORANGE	C&L Eagle Rock, Berton Dr, Laurel Ave, and Ahern Ave	$932,808	Rehab	1,555	6.00		Unknown	Unknown	Unknown	System Flows and Pressure	120	2016Q4		20
6226	North Operating Area	WEST ORANGE	Sunnyside Rd from Pleasant Valley Way to end	$811,000	Replace	3,555	8.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		10
6227	North Operating Area	WEST ORANGE	Hover Ave from Pleasant Valley Way to end just past Roosevelt Ave	$190,000	Replace	950	8.00	Ductile Iron	1930's	4	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6228	North Operating Area	WEST ORANGE	Bradley Terrace from Mt. Pleasant to Gregory Ave	$136,000	Replace	680	8.00	Cast Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6229	North Operating Area	WEST ORANGE	C&L Virginia Ave, Grant Terrace, Wardell St, 8th St, Maple St and Elm Street	$889,400	Rehab	4,447			Unknown	Unknown	Unknown	Water Quality	120	2016Q4		10
6230	North Operating Area	WEST ORANGE	Old Indian Rd from Pleasant Valley Road to St Cloud Ave	$197,000	Replace	985	8.00	Ductile Iron	1950's	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6714	North Operating Area	WEST ORANGE	WEST ORANGE - Woodland Ave between Forest and Prospect	$483,750	Replace	2,250	12.00	Ductile Iron	1950's	6	Asbestos Cement	Safety and Reliability	120	TBD		20
6717	North Operating Area	WEST ORANGE	WEST ORANGE - Old Indian Rd from Pleasant Valley Way to Weddington	$260,000	Replace	1,300	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6718	North Operating Area	WEST ORANGE	WEST ORANGE - Old Indian Rd between Prospect and HWO-233	$300,000	Replace	1,000	8.00	Ductile Iron	Pre-1900	6	Cast Iron	Safety and Reliability	120	TBD		10
6905	North Operating Area	WEST ORANGE	WEST ORANGE - Belgrade Terr from Bradford Ave to Club Blvd	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6907	North Operating Area	WEST ORANGE	WEST ORANGE - Bella Terra Rd from Pleasant Valley Way to Coolidge Ave	$260,000	Replace	1,300	8.00	Galvanized Steel	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6908	North Operating Area	WEST ORANGE	WEST ORANGE - Brookside Rd from Fairway Dr to Gregory Ave	$360,000	Replace	1,800	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6909	North Operating Area	WEST ORANGE	WEST ORANGE - Forest Hill Rd from Gregory Ave to Colkemore	$500,000	Replace	2,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6910	North Operating Area	WEST ORANGE	WEST ORANGE - Huntsmoor Rd from Warren Rd to Sherbin Ave	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6911	North Operating Area	WEST ORANGE	WEST ORANGE - Kensel Cir + Ct from Northfield Ave	$380,000	Replace	1,900	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6912	North Operating Area	WEST ORANGE	WEST ORANGE - Ludlington Rd from Gregory Ave to Lowell Ave	$200,000	Replace	1,000	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6913	North Operating Area	WEST ORANGE	WEST ORANGE - Northfield Ave from Walker Rd to Main St	$2,000,000	Replace	10,000	8.00	Ductile Iron	Unknown	4	Cast Iron	Safety and Reliability/Structural	120	2016Q4		40
6914	North Operating Area	WEST ORANGE	WEST ORANGE - Pleasant Valley Way from Eagle Rock Ave to I 280	$1,000,000	Replace	5,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	2016Q4		30
6920	North Operating Area	WEST ORANGE	WEST ORANGE - Randolph Pl from Mt Pleasant Ave to Longview St	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6922	North Operating Area	WEST ORANGE	WEST ORANGE - Seaman Rd + Deerfield Dr from Woodland Ave	$1,000,000	Replace	5,000	8.00	Ductile Iron	Unknown	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD		30
6929	North Operating Area	WEST ORANGE	WEST ORANGE - St. Cloud Ave from Old Indian Rd to Aprons Rd	$460,000	Replace	2,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		20
6925	North Operating Area	WEST ORANGE	WEST ORANGE - Stone Dr from Stockstack Rd to Weber Rd	$460,000	Replace	2,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6927	North Operating Area	WEST ORANGE	WEST ORANGE - Sunnyside Rd from Pleasant Valley Way	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6928	North Operating Area	WEST ORANGE	WEST ORANGE - Undercliff Terr from Forest Hill Rd to Bradford Ave	$360,000	Replace	1,300	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6930	North Operating Area	WEST ORANGE	WEST ORANGE - Walker Rd from Bennett Terr to Undercliff Terr	$300,000	Replace	1,500	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6931	North Operating Area	WEST ORANGE	WEST ORANGE - Wellington Ave from Gregory Ave to Valley Rd	$400,000	Replace	2,000	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability/Structural	120	TBD		10
6942	North Operating Area	WEST ORANGE	WEST ORANGE - Eagle Rock Ave from Mississippi to Smith Manor Blvd	$680,000	Replace	3,400	8.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		20
6943	North Operating Area	WEST ORANGE	WEST ORANGE - Eagle Rock Ave from 700' east of Prospect to Laurel	$2,092,500	Replace	9,300	12.00	Ductile Iron	Unknown	6	Cast Iron	Safety and Reliability	120	TBD		30
7214	North Operating Area	WEST ORANGE	Roosevelt Ave 8" replacement	$200,000	Replace	1,000	8.00	Ductile Iron	1950's	6	Cast Iron	Safety and Reliability	120	TBD		30
7221	North Operating Area	WEST ORANGE	West Orange Rehab - Phase 5a	$250,000	Rehab	1,300	6.00	Cast Iron	1920's	6	Cast Iron	Water Quality	120	2016Q2		30
5	Central Operating Area	WEST WINDSOR TWP	West Windsor - Alexander Road @ Walkers intersection of N Post to Harris Ave(Major restoration each time over 10,000 SY	$330,000	Replace	1,650	12.00	Ductile Iron	1960's	10	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10
6	Central Operating Area	WEST WINDSOR TWP	West Windsor - Fisher Ave	$98,400	Replace	820	8.00	Ductile Iron	1930's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	10
7	Central Operating Area	WEST WINDSOR TWP	West Windsor - Washington Roadhouse 1 to Farview 12" main	$297,000	Replace	1,650	12.00	Ductile Iron	1950's	10	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	30
8	Central Operating Area	WEST WINDSOR TWP	West Windsor - Wheeler Way	$238,500	Replace	1,325	8.00	Ductile Iron	Unknown	8	Cast Iron	Safety and Reliability/Structural	120	TBD	Yes	10

BPU Docket WR15060724

New Jersey American Water Company, Inc
2015 Foundational Filing
Appendix C -Revised 8/13/2015

Stipulation - Exhibit A

Id	District	Municipality	Project Title	NJAW Funded (dollars)	Project Type	Proposed Length (feet)	Proposed Dia. (inches)	Proposed Pipe Material	Decade Installed	Ex. Dia. (inches)	Existing Pipe Material	Accelerated Asset Investment Category	Project Duration	Estimated In Service Period	Previously Submitted for BPU Review	Rounded Weighted Score
409	Southwest Operating Area	WESTAMPTON TWP	Westampton - Pennington Avenue WEST - Bloomfield Drive to Bloomfield Drive	$505,400	Replace	2,660	8.00	Ductile Iron	1970's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	20
410	Southwest Operating Area	WESTAMPTON TWP	Westampton - Irick Road - Woodlane Road to Rancocas Road	$494,000	Replace	2,600	16.00	Ductile Iron	1960's	8	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	20
411	Southwest Operating Area	WESTAMPTON TWP	Westampton - Ivory Lane - Woodlane Road to Burlington-Mount Holly Road	$114,000	Replace	600	12.00	Ductile Iron	1960's	10	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	10
412	Southwest Operating Area	WESTAMPTON TWP	Westampton - Holly Lane - Bloomfield Drive to Rancocas Road	$190,000	Replace	1,000	8.00	Ductile Iron	1960's	6	Asbestos Cement	Relocation/Opportunity	120	TBD	Yes	10
413	Southwest Operating Area	WESTAMPTON TWP	Westampton - Rancocas Road - Lambert Drive to Holly Lane	$152,000	Replace	800	12.00	Ductile Iron	1960's	6	Asbestos Cement	Safety and Reliability/Structural	120	TBD	Yes	10
3505	Southwest Operating Area	WESTAMPTON TWP	Westampton - Rancocas Road from Irick Road to Hyatt HWEA-76	$450,000	Replace	2,000	16.00	Ductile Iron	1970's	8	Ductile Iron	System Flows and Pressure	120	TBD		30
7177	Southwest Operating Area	WESTAMPTON TWP	Westampton - Pennington Avenue (A3) - Bloomfield Drive to Hewell Drive	$92,300	Replace	1,700	8.00	Ductile Iron	Unknown	Unknown	Unknown	Safety and Reliability/Structural	120	TBD		10
6580	Central Operating Area	WESTFIELD	Boulevard (Clover to Aydlin)	$284,400	Replace	1,422	8.00	Ductile Iron	1930's	6	Cast Iron	Water Quality	120	2016Q3		20
6582	Central Operating Area	WESTFIELD	Hyslip Ave. (Shackamaxon Dr. to Eastwood Terr.)	$262,400	Replace	1,312	8.00	Ductile Iron	1930's	6	Cast Iron	System Flows and Pressure	120	2016Q1		20
6584	Central Operating Area	WESTFIELD	Amy Dr. (Rahway to Dead End)	$88,900	Replace	508	6.00	Ductile Iron	1960's	2	Cast Iron	Water Quality	120	2016Q1		20
6831	Central Operating Area	WESTFIELD	Amy Dr (Amy @ Dead End)	$16,450	Replace	94	6.00	Ductile Iron	1960's	2	Cast Iron	System Flows and Pressure	120	TBD		10
6841	Central Operating Area	WESTFIELD	Easement - Echo Lake CC (Woodland to Springfield)	$1,018,500	Replace	4,074	16.00	Ductile Iron	1960's	16	Asbestos Cement	Water Quality	120	TBD		10
6843	Central Operating Area	WESTFIELD	North Ave. (W. Dudley to 4th Ave)	$1,846,800	Renew	8,208	12.00	Cast Iron	1910's	Unknown	Cast Iron	System Flows and Pressure	120	TBD		30
7210	Central Operating Area	WESTFIELD	Cleaning and Lining	$5,000,000	Renew	30,000	6.00	Cast Iron	1930's	8	Cast Iron	System Flows and Pressure	120	2016Q4		30
646	North Operating Area	WOODLAND PARK	Clean & Line all unlined CI mains in Woodland Park due to Iron Flows and DW.	$4,012,000	Renew	40,120	6.00	Other	Unknown	6	Cast Iron	System Flows and Pressure	120	TBD	Yes	30
5880	North Operating Area	WOODLAND PARK	McBride Av north end	$380,000	Replace	1,900	8.00	Ductile Iron	1910's	8	Cast Iron	System Flows and Pressure	120	TBD		30
Null	All	All	Emergent large Diameter pipe failures	$30,000,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Safety and Reliability/Structural	n/a	TBD		n/a
Null	All	All	Unscheduled municipal main replacements	$10,000,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Safety and Reliability/Structural	n/a	TBD		n/a

Previously BPU Approved - not Constructed	$ 89,433,494.00
New Additions	$ 468,400,713.00
Total	$ 557,834,207.00

Totals does not include Emergent and Unscheduled relocations

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held July 11, 2007

Commissioners Present:

Wendell F. Holland, Chairman
James H. Cawley, Vice Chairman
Terrance J. Fitzpatrick, Concurring Statement attached
Tyrone J. Christy
Kim Pizzingrilli, Statement attached

Petition Of Pennsylvania-American Water Company For Approval To Implement A Tariff Supplement To Tariff Water-PA P.U.C. No. 4 Revising The Distribution System Improvement Charge	:	P-00062241
Irwin A. Popowsky, Consumer Advocate v. Pennsylvania-American Water Company	:	P-00062241C0001
Marlane A. Pizzi v. Pennsylvania-American Water Company	:	P-00062241C0002
Jamin Benson v. Pennsylvania-American Water Company	:	P-00062241C0003
Frank J. Paris v. Pennsylvania-American Water Company	:	P-00062241C0004

Richard O. Adams	:	P-00062241C0005
v.	:	
Pennsylvania-American Water Company	:	
D. Wintermeyer	:	P-00062241C0006
v.	:	
Pennsylvania-American Water Company	:	

OPINION AND ORDER

BY THE COMMISSION:

Before the Commission for consideration and disposition are the Exceptions of Pennsylvania-American Water Company (Petitioner), filed on June 5, 2007, to the Recommended Decision of Administrative Law Judge (ALJ) Wayne L. Weismandel, which was issued on May 16, 2007. Reply Exceptions were filed on June 15, 2007, by the Office of Trial Staff (OTS), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA) and the Pennsylvania-American Water Large Users Group (PAWLUG).

History of Proceeding

The following is an abbreviated history of the proceeding, most of which has been obtained from pages 2-6 of the ALJ's Recommended Decision.

On October 17, 2006, the Petitioner filed, at the above-captioned docket, a Petition For Approval To Implement A Tariff Supplement To Tariff—Water Pa. P.U.C. No. 4 Revising The Distribution System Improvement Charge (Petition), seeking authority from the Commission to increase its maximum allowable Distribution System Improvement Charge (DSIC) from 5% of billed revenues to 7.5% of billed revenues.

Formal Complaints were filed by the Office of Consumer Advocate (OCA) at Docket No. P-00062241C0001, and by various individuals, at Docket Nos. P-00062241C0002-C006.[1] The Office of Small Business Advocate (OSBA) filed a Complaint in the Form of an Answer to the Petition. The Office of Trial Staff and the Pennsylvania-American Water Large Users Group (PAWLUG) participated as Intervenors.

Notice of the filing of the Petition was published in the *Pennsylvania Bulletin* on December 2, 2006, with protests or petitions to intervene due on or before December 18, 2006. On December 18, 2006, the OSBA and the OCA each filed a Protest to the Petition.

An Initial Prehearing Conference was held on December 20, 2006. Representatives on behalf of the Petitioner, the OTS, the OSBA, and the OCA attended. A transcript of the proceeding containing sixteen pages was produced. By Order Granting Petition to Intervene dated December 20, 2006, the ALJ granted PAWLUG intervenor status.

On January 10, 2007, the Petitioner filed Answers to the Formal Complaints of Marlane A. Pizzi, Jamin Benson, and Frank J. Paris. On January 17, 2007, the Petitioner filed an Answer to the Formal Complaint of Richard O. Adams. On January 24, 2007, the Petitioner filed an Answer to the Formal Complaint of D. Wintermeyer.

[1] The names of the Complainants, the date filed and the associated docket numbers are as follows: Marlane A. Pizzi, filed December 13, 2006, at Docket No. P-00062241C0002; Jamin Benson, filed December 7, 2006, at Docket No. P-00062241C0003; Frank J. Paris, filed December 1, 2006, at Docket No. P-00062241C0004; Richard O. Adams, filed December 18, 2006, at Docket No. P-00062241C0005; and D. Wintermeyer, filed December 2, 2006, at Docket No. P-00062241C0006.

An Initial Hearing was held on March 14, 2007. The Petitioner, OCA, OSBA, OTS, and PAWLUG participated. The Petitioner presented two witnesses, OCA presented one witness, OSBA presented one witness, and OTS presented one witness.[2] A transcript of the proceeding containing 138 pages was produced.

The Petitioner, OCA, OSBA, OTS, and PAWLUG each filed both Main and Reply Briefs. In accordance with the provisions of Section 5.502(d) of the Commission's Rules of Practice and Procedure, 52 Pa. Code § 5.502(d), Aqua Pennsylvania, Inc. (Aqua) filed an Amicus Curiae Brief. The record closed on April 26, 2007. As noted above, ALJ Weismandel's Recommended Decision was issued on May 16, 2007. The ALJ determined that the Petitioner had not met its burden of proving, by a preponderance of the evidence, that the proposed DSIC increase is in the public interest and that it would be just and reasonable. The ALJ, therefore, recommended that the Petition be denied. Exceptions and Replies were then filed as noted above.

Background

As stated earlier, the Petition filed by the PAWC is a request to raise the surcharge cap from 5% of billed revenues to 7.5% on DSIC-eligible infrastructure. ALJ Weismandel issued a Recommended Decision which denied the Petition. We disagree with the Recommended Decision and instead will grant PAWC's Exceptions which succinctly clarify the Petition's consistency with the purpose of DSIC, along with

[2] The Parties introduced into evidence PAWC Statements 1 (with accompanying Exhibits SLK1 through SLK3), 2 (with accompanying Exhibits DRK-1 through DRK-4), 1R, and 2R; OCA Statement 1 and cross-examination Exhibits 1-5, and 7-9; OSBA Statements 1 and 2; and, OTS Statements 1 and 1-SR, Exhibit 1, and cross-examination Exhibits 1 and 2.

providing ample support as to the benefits expected to accrue to ratepayers with a 7.5% DSIC cap.

The DSIC is a regulatory tool created in Pennsylvania that has since been adopted, in similar versions, in seven states.[3] The purpose of the DSIC is to provide the Company with the resources to accelerate the rate of aging water distribution system infrastructure replacement in a timely, cost-effective manner. Water utilities with an approved DSIC tariff may charge a sliding scale of rates collected through a quarterly surcharge that enables the recovery of the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in service between base rate cases. DSIC approved projects include main and valve replacement, main cleaning and relining, fire hydrant replacement, main extensions to eliminate dead ends, solutions to regionalization projects and meter change outs. Customer safeguards include an auditing process, an annual reconciliation of over or under collections, with over collections being refunded with interest, and resetting the charge to zero at the time of new base rates or if the company is over earning, and customer notice of rate changes. A cap of 5% of a customer's total billed revenue for the month has also been one of the safeguards.

Prior to the implementation of the DSIC in 1997, the total rehabilitation of PAWC's distribution system would have taken approximately 225 years to complete.[4] Since the DSIC tariff has been utilized, at a maximum of the 5% cap of a customer's total bill for the month, the Company has reduced the timeframe to 170 years.[5] Since increasing its investment in DSIC in 2006 (the most recent quarterly filing of January 1, 2007 showed a level of 6.36%, although recovery has been limited to 5%),[6] PAWC

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3 Indiana, Illinois, Ohio, Delaware, Missouri, New York, and Connecticut.
4 (PAWC M.B. at 8).
5 (*Id.*).
6 (PAWC Quarterly DSIC filing).

estimates that an increased cap of 7.5% of a customer's total bill for the month will enable it to reduce the timeframe from approximately 170 years to 112 years, thus enabling improvements to aging infrastructure at a pace more reflective of actual service lives.[7] PAWC asserts that its request to increase the maximum 5% cap to 7.5% of a customer's total bill for the month will further achieve the intent of the DSIC.[8] PAWC stated that the public interest benefits to accrue when infrastructure upgrades are made include improved water quality, pressure and fire protection; fewer main breaks and service interruptions; lower levels of unaccounted-for water; and greater rate stability.[9] We agree.

We will now consider the Exceptions filed to the Recommended Decision.

Discussion

Section 332(a) of the Public Utility Code (Code), 66 Pa. C.S. § 332(a), provides that the party seeking a rule or order from the Commission has the burden of proof in that proceeding. It is axiomatic that "[a] litigant's burden of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of evidence which is substantial and legally credible." *Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990).

We note that any Exception, which we do not specifically address herein, has been duly considered and will be denied without further discussion. It is well settled that we are not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth.

[7] (*Id.* at 9-10).
[8] (*Id.* at 10, 12-13).
[9] (*Id.* at 1).

1993); also *see, generally, Univ. of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

The ALJ made forty-two Findings of Fact and reached twelve Conclusions of Law. The Findings of Fact and Conclusions of Law are incorporated herein by reference and are adopted without comment unless they are either expressly or by necessary implication rejected or modified by this Opinion and Order.

A. Broad Policy Issue

The Petitioner excepts to the ALJ's characterization of the Petition. The Petitioner believes that the ALJ misidentified the question presented in this case as a "policy determination." (Exc. at 2, R.D. at 13). The Petitioner states that it has not requested an increase to its DSIC cap as a matter of policy (which infers that an increase in the cap should apply to all jurisdictional water companies). Rather, it wishes the Commission to determine whether or not it has demonstrated, by a preponderance of the evidence, that an increase in its DSIC cap is justified given the Commission's statutory and the Commission's existing DSIC policy. (Exc. at 2).

The OSBA states that the ALJ based his recommendation on whether or not the Petitioner's DSIC cap should be raised from 5% to 7.5%, and not on whether *all* water company DSIC caps should be raised from 5% to 7.5%, as the Petitioner claims. (OSBA R.Exc. at 3). The OSBA notes that the ALJ specifically stated, "[w]hile the question in this case is a policy determination (whether or not ***petitioner's DSIC cap*** should be raised from 5% to 7.5%), petitioner has the burden of proving that the policy position it advocates should be adopted by the Commission." (R.D. at 13, emphasis added). The OSBA submits that the ALJ made no mention that the instant Petition should be denied because the Petitioner failed to prove that other water company DSIC caps should also be raised from 5% to 7.5%. (OSBA R.Exc. at 3).

The OTS contends that the Petitioner's first Exception misinterprets the entirety of the ALJ's Recommended Decision and that the relief requested in the Petitioner's filing is inconsistent with the Commission's prior policy. Noting that the cap has been set at 5% ever since the establishment of the DSIC, the OTS posits that raising the DSIC cap would indeed be a deviation from a well-established Commission policy that has been followed for over a decade. Moreover, the OTS believes that it is abundantly clear that the ALJ ruled on the merits of the case presented by the Petitioner and did not simply deny the Petitioner's requested relief based on general policy grounds. Finally, the OTS opines that the ALJ specifically, and correctly, cited the Petitioner's failure to satisfy its burden of proof based on the record evidence that was presented. Accordingly, the OTS believes that the Petitioner's Exception must be denied. (OTS R.Exc. at 2 – 3).

As determined by ALJ Weismandel, any change to the DSIC mechanism cap is policy related. However, the Petitioner's request to raise its DSIC collection so that it may accelerate the replacement of aged mains in its service territory must be considered based on the evidence presented in **this** proceeding and not simply as a broad policy. The Petition at hand seeks approval of a tariff supplement revising the DSIC for PAWC only, not all jurisdictional water utilities. The Petitioner has convinced us that the 5% limitation, as applied to PAWC, should be revisited. We reach this conclusion not only on a policy basis, but more importantly, based on the facts specific to this proceeding. As such, the Exception on this issue is granted.

B. Burden of Proof

In the Recommended Decision the ALJ found that the burden of proof to establish the justness and reasonableness of every element of Petitioner's requested DSIC increase rests solely upon the Petitioner. Additionally, the ALJ found that the Petitioner has not met its burden of proving, by a preponderance of the evidence, that its proposed DSIC

increase is in the public interest and that it would be just and reasonable. (Conclusions of Law No. 8 and 12).

In its Exceptions, the Petitioner states that the ALJ's Conclusions of Law No. 4, 5, and 6 cumulatively establish that the Petitioner's burden of proof is simply to demonstrate, through evidence, that increasing the DSIC cap will result in an "appropriately funded DSIC [that] provides the Petitioner with the resources to address the problems presented by its aging water distribution system in an orderly and comprehensive manner." (Exc. at 6). These Conclusions of Law state:

> 4. An appropriately funded DSIC provides petitioner with resources to address the problems presented by its aging water distribution system in an orderly and comprehensive manner.
>
> 5. The Commission has statutory authority to permit a sliding scale of rates or other automatic adjustment method for water utilities to recover the cost of distribution system improvement projects completed and placed in service between base rate proceedings.
>
> 6. The Commission has the legal authority to approve a DSIC with a cap that exceeds 5% of billed revenues.

(R.D. at 18). As such, the Petitioner asserts that it is within the Commission's discretion to grant the Petition if it is determined that the Petitioner has established, by a preponderance of the evidence, that increasing its DSIC cap to 7.5% would provide sufficient funding to address the problems with the Petitioner's aging water distribution system. (Exc. at 5).

PAWLUG rejects the Petitioner's argument that its burden is only to demonstrate that increasing the maximum percentage cap will appropriately fund the DSIC. (PAWLUG R.Exc. at 3).

The OCA rejoins that, contrary to the Petitioner's assertion, Conclusions of Law 4, 5, and 6 do not, by any reading, establish the Petitioner's burden of proof. According to the OCA, these Conclusions of Law deal with the purpose of the DSIC itself and the authority of the Commission. Accordingly, the OCA asserts that the Petitioner's argument on this issue is without merit. (OCA R.Exc. at 5).

The OTS asserts that the Petitioner's interpretation of its burden of proof in this proceeding violates basic ratemaking tenants. Under the argument presented by the Petitioner, it is only necessary to demonstrate that an increase to the DSIC cap will result in an appropriately funded DSIC. However, OTS submits that the Petitioner fails to recognize that the law also requires all rates must be just and reasonable. The OTS opines that base rate review is necessary because solely focusing on the DSIC cap increase, without the opportunity to put it in context of all the components that comprise the Petitioner's revenue requirement, fails to produce an accurate picture of the Petitioner's operations. (OTS R.Exc. at 4 – 5).

We agree with the OCA that Conclusions of Law 4, 5, and 6 do not establish the Petitioner's burden of proof. These Conclusions of Law deal with the purpose of the DSIC itself and the authority of the Commission. A more appropriate question is whether or not PAWC has proved that its DSIC cap should be raised from 5% to 7.5%. As stated above, a litigant before this Commission must prove its case with a preponderance of evidence which is substantial and legally credible. *Samuel J. Lansberry, Inc. v. Pa. PUC*, *supra*. The ALJ correctly determined that the Petitioner bears the burden of proving by a preponderance of the evidence that the position it advocates should be adopted by the Commission. (R.D. at 13). That being said, while the ALJ did not misstate the burden of proof applicable to this proceeding, as discussed *infra*, the ALJ erred in finding that the Petitioner did not meet that burden. Accordingly, the Petitioner's Exception on this issue is granted consistent with this discussion.

C. Ratepayer Safeguards

The Petitioner also argues that the Commission addressed the ALJ's concerns regarding ratepayer protection when it stated, "[t]he earnings disclosure reports mandated by the final regulations adopted herein will improve substantially the Commission's ability to monitor the financial performance of Pennsylvania's public utilities and, further, will assist greatly in assuring that the rates charged to customers are just and reasonable."[10] Thus, the Petitioner opines that the earnings test safeguard and other DSIC safeguards are included in the recurring DSIC audits and provide ratepayers with adequate protection under the DSIC. (Exc. at 5).

The OSBA objects to the Petitioner's contention that the ALJ erred by considering that, "reduced costs and unrecognized revenue between rate cases may produce earnings above a company's authorized rate of return."[11] According to the OSBA, the ALJ was not mistaken to take these factors into consideration because the safeguards previously established by the Commission to protect ratepayers from single-issue ratemaking would otherwise be weakened if the Petitioner's request were granted. (OSBA R.Exc. at 6).

PAWLUG asserts that the ALJ appropriately noted that, "[o]ne of the keystone protections of consumers' interests cited by the Commission in developing the DSIC was that 'the DSIC will be capped at a relatively low level to prevent any long-term evasion of a base rate review of these plant costs.'" (R.D. at 14). In other words, the Commission viewed the 5% level as the appropriate safeguard for ensuring that the Commission would have the opportunity to review these costs via a base rate proceeding. (PAWLUG R.Exc. at 3). PAWLUG believes that the 5% cap is arguably the most

[10] (Docket No. L-910061, PAWC Supplement No. 22 to Tariff Water PA P.U.C. No. 4 at Rev. 12B3).

[11] (Exc. at 5).

important safeguard implemented by the Commission to protect customers from the dangers of single-issue ratemaking. (*Id.*).

Additionally, the OTS states that the Commission adopted the 5% maximum rate based upon the Petitioner's recommendation. In its 1996 Petition, the Petitioner represented that, "[t]he DSIC will be capped at 5% of the amount billed to customers under otherwise applicable rates and charges. If the cap were reached, no further increases in the DSIC would be permitted." (1996 DSIC Petition at 4). Despite the Petitioner's express language and assurance to the contrary, OTS claims it is now requesting a significant DSIC cap increase. As such, the OTS argues that the ALJ properly rejected this requested increase because the Petitioner failed in its burden of showing that the requested increase is just and reasonable. (OTS R.Exc. at 6).

The Code, 66 Pa. C.S. § 101 *et seq.*, grants the Commission the legal authority and power to establish the Petitioner's DSIC rate cap at either 5% or 7.5% or, conceivably, at a higher percentage. (R.D. at 13). Subsection 1307(g) of the Code provides, in relevant part:

> Recovery of costs related to distribution system improvement projects designed to enhance water quality fire protection reliability and long-term system viability.—Water utilities may file tariffs establishing a sliding scale of rates or other method for the automatic adjustment of the rates of the water utility as shall provide for recovery of the fixed costs (depreciation and pretax return) of certain distribution system improvement projects, as approved by the commission, that are completed and placed in service between base rate proceedings. The commission, by regulation or order, shall prescribe the specific procedures to be followed in establishing the sliding scale or other automatic adjustment method.

66 Pa. C.S. § 1307(g).

ALJ Weismandel aptly described the standard this Commission must employ in our review of the instant Petition to revise PAWC's DSIC:

> The parameters of petitioner's DSIC and the procedure for its implementation and review established by the Commission in the PAWC DSIC Order are an "other method for the automatic adjustment of the rates of" petitioner as provided for in the Statute. The Legislature granted the Commission both the authority and the power to exercise discretion in determining the specifics of a distribution system improvement cost recovery program and did **not** establish a numerical percentage rate cap. However, the Commission remains bound by the provisions of the Public Utility Code that require that all rates "shall be just and reasonable" and non-discriminatory, 66 Pa.C.S. §§1301, 1304.

(R.D. at 13 (emphasis added)).

Prior to DSIC's implementation in 1997, PAWC's timeframe to upgrade its existing, aging infrastructure was 225 years.[12] Following DSIC's implementation, the timeframe was reduced by nearly 25% to 170 years. A critical factor is that, with its current increased investments in DSIC-eligible projects over the 5% cap (the most recent[13] quarterly filing reached 6.36%), the Company estimates a 33% reduction to 112 years, which more realistically reflects actual service lives. (PAWC M.B. at 9). Matching replacement with service life substantially improves service reliability. Infrastructure remediation and improved service and service reliability directly benefits customers. Upgrades of deteriorated mains are essential to reduce main breaks, service interruptions and unaccounted for water and improve water quality, improve pressure, enhance fire protection, and achieve rate stability. Additional ratepayer benefits include the achievement of these essential goals:

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[12] Other jurisdictional water companies faced similar or worse timeframes.

[13] As of January 1, 2007.

> Promoted the acquisition of small and non-viable water systems, consistent with Commission policy (see 52 Pa. Code §§ 69.711 (relating to small and nonviable systems));
>
> Promoted the regionalization of water systems, consistent with Commission policy; see 52 Pa. Code § 69.721 (relating to acquisitions);
>
> Reduced rate case expense by decreasing the frequency of base rate case filings;
>
> Allowed water utilities to afford remediation projects that would have otherwise been cost-prohibitive; and
>
> Decreased main breaks, service interruptions, low pressure problems, and discolored water.

(Aqua Correction to Amicus Curiae Brief at 4).

When DSIC's implementation was approved by the Commission, several critical safeguards were established, including a cap of 5% of billed revenues.[14] Additional safeguards include: resetting the DSIC to zero at the time of the next base rate case or if the utility is over-earning; providing notice to customers of any change in the DSIC rate; audits are conducted as needed and an annual reconciliation audit is conducted to ascertain any over or under-collections, with any over-collections being refunded with interest at the time of the next DSIC calculation. All mains or other DSIC-eligible projects have been placed into service prior to DSIC charges being issued to customers and meet used and useful parameters, which are among the foundations of utility ratemaking principles.

[14] *Petition of Pennsylvania-American Water Company for Approval to Implement a Tariff Supplement Establishing a Distribution System Improvement Charge*, Docket No. P-00961031 (August 16, 1996), see Attachment A, "Sample Tariff Language," p. 4.

The Company's argument that these safeguards remain in place and effective even with a higher cap is correct. Therefore, we will grant PAWC's Exception on this issue.

D. Recent Infrastructure Study

The ALJ noted that the Petitioner has not done an infrastructure study in the last three years. The ALJ stated that the Petitioner's current accelerated replacement might or might not be sufficient or that the previous replacement and improvement rate might even be enough to discharge the Petitioner's responsibility to render adequate, efficient, safe, and reasonable service. The ALJ reasoned that, without a recent infrastructure study having been presented by the Petitioner, the adequacy of any of these replacement rates is speculative. Accordingly, the ALJ concluded that that increasing the Petitioner's DSIC cap is not permissible. (R.D. at 17).

The Company points out that under the ALJ's criteria, there would not be a need for a DSIC at all, so long as a minimal level of adequate service was being rendered. The General Assembly had a broader vision and has provided the Commission with the tools to replace aging infrastructure in the Commonwealth. PAWC simply requests that the Commission use this tool and permit the Company to increase its DSIC percentage so that the purpose of the law can be realized. (PAWC Exc. at 11).

The Petitioner objects to the ALJ's conclusion on this matter and argues that the need for an infrastructure study is illusory. The Petitioner contends that requiring such a study would elevate form over substance. (Exc. at 7). The Petitioner argues in detail that the findings refute the ALJ's observation that a study is necessary to justify acceleration in the rate of replacement of aging infrastructure. (Exc. at 8-10). Furthermore, the Petitioner argues that the requirement of an infrastructure study is not required by the DSIC Regulations and is not a requirement of generally accepted utility practices. (Exc. at 10).

The Petitioner recognized that its ideal spending level for infrastructure remediation "should be adequate to keep pace with the anticipated remaining useful life of the distribution system infrastructure." (PAWC M.B. at 9). The Company explained that, in 2006, it accelerated its infrastructure upgrade program by over 50% and replaced 82 miles of mains. This can be compared with the pre-DSIC figure of replacing 25 miles per year. From DSIC's inception in 1997, until 2005, the Company replaced 47 miles of main, or 0.56%. The 2006 increased rate of 0.90% has been maintained in 2007 at a DSIC level of 6.36% for all of 2007. As previously stated, the current accelerated rate should enable the Company to significantly reduce, by 34%, the amount of time it would take to make all of the needed improvements, from approximately 170 years to 112 years. (PAWC M.B. at 8-9).

The Petitioner also noted its current focus on replacing smaller diameter mains due to its discovery that they were found to be a more frequent source of main breaks than larger diameter mains. (PAWC M.B. at 11). The Company states that an increased DSIC cap to 7.5% will support its efforts to accelerate the systematic replacement of its older small-diameter mains. The Petitioner estimates it can reduce by about 20 years, the time in which it will be able to make the needed improvements to this segment of its distribution system. The Company points out that, in comparison, "an under-funded DSIC is more likely to result in more significant costs associated with unplanned or more extensive system repairs in the future (*e.g.*, more main breaks and service interruptions, higher levels of unaccounted for water, etc.)." (PAWC M.B. at 12). The Petitioner has determined that a higher investment level is essential for it to keep pace with the anticipated remaining useful life of the distribution system infrastructure. (PAWC M.B. at 9).

The OCA replies that the absence of an infrastructure study reflecting the appropriateness of the Petitioner's main replacement rate is not the only troubling omission from the Petition. The OCA notes that the Petitioner has no system-wide

method for consistent prioritization and assessment of the need for infrastructure replacement and rehabilitation. (OCA M.B. at 19-22). Furthermore, the OCA submits that the Petitioner's current prioritization tool is being used only on a trial basis, and as acknowledged by the Petitioner, no studies have been conducted between 1990 to 2006 to address the reasonable and prudent process or procedure for replacing distribution mains.[15] (OCA R.Exc. at 6).

The OSBA also agrees with the ALJ on this issue. The OSBA replies that the Petitioner is seeking to increase the DSIC cap without providing evidence of why the main replacement acceleration is necessary and why the current DSIC mechanism is inadequate. Additionally, the OSBA noted that the Petitioner does not have a system-wide method for consistent prioritization and assessment of the need for infrastructure replacement and rehabilitation. (OSBA R.Exc. at 10). The OSBA opines a conclusion cannot be made that the Petitioner needs a DSIC cap increase and that the DSIC dollars currently being collected from ratepayers are being used in the most efficient manner as possible. (OSBA R.Exc. at 12).

The OTS states that the requested DISC increase represents a 50% increase over the current maximum DSIC rate. The OTS argues that to support the requested increase, the Petitioner should have performed an analysis showing: (1) the overall condition of the plant; (2) plant that should be rehabilitated or replaced; (3) cost estimates; and, (4) a prioritization of DSIC projects and locations. According to the OTS, the Petitioner simply failed to do so and instead argued that its presentation of service lives and the problematic nature of small diameter pipe satisfied its burden of proving that the proposed DSIC increase is warranted. (OTS R.Exc. at 7).

[15] (M.B. at 20-21).

As stated by PAWC, the legislature has provided the Commission with the tools to replace aging infrastructure in the Commonwealth. PAWC simply requests that the Commission use this tool and permit the Company to increase its DSIC percentage so that the purpose of the law can be realized. Our review of the record persuades us that currently, a higher DSIC rate for PAWC is consistent with the legislative intent to economically accelerate infrastructure remediation:

> The DSIC more accurately reflects the ongoing investments and improvements that are made in the water distribution system versus the less frequent but larger step increases that would result from base rate increases without an appropriately funded DSIC. The timely recovery of the fixed costs of infrastructure replacement through the DSIC provides an incentive for increased and continued levels of capital infusion. This results in a stronger and more reliable water distribution system for both current and future customers.

(PAWC M.B. at 13). In our view, the Petitioner has presented sufficient evidence to support the requested increase of the DSIC rate. We note that PAWC's customers' rates at the 5% DSIC rate average $1.75 a month. With a 7.5% DSIC, that rate will increase by an average of $1.00 a month. It should be kept in mind that this rate will be reset to zero following the next base rate case (or at any time that the Company is over-earning) and it takes a number of billing cycles of progressive increases over a few years to rise to the allowed level of the cap. Most importantly, DSIC represents a dollar-for-dollar recovery of prudent expenses incurred for improving reliability to customers. Accordingly, we shall grant the Petitioner's third Exception.

E. Frequency of Base Rate Filings / Necessity of DSIC Increase

The ALJ determined that Petitioner failed to provide evidence in support of its assertions: (1) that an increase of 50% in its DSIC cap is required to maintain its accelerated water main replacement program; and (2) that a higher DSIC cap would

potentially lengthen the period between its filing of general rate increase cases, thereby delaying the large costs involved. (R.D. at 15).

The Petitioner claims that the ALJ erred in finding that it must prove that increasing the DSIC is necessary to maintain its accelerated improvement program or to lengthen the time between base rate case filings. (Exc. at 11). It argues that it has not maintained, and it is not the Company's burden to prove that increasing the DSIC cap is necessary to maintain its accelerated improvement program or to lengthen the time between the filing of base rate cases. Rather, the Petitioner asserts that it simply must prove that increasing the DSIC cap to 7.5% will provide the Company with adequate resources to achieve the Commission's objective to accelerate the replacement of its aging infrastructure, and that the "modest requested increase to PAWC's DSIC cap accomplishes this goal." (Exc. at 12).

The Petitioner also submits that the fact that it filed a base rate case is irrelevant to whether the Commission should exercise its discretion to increase the DSIC percentage. The Petitioner notes the necessity for sufficient resources to achieve the Commission's long term objective of accelerating the replacement of its aging infrastructure while encouraging the Company to make less frequent base rate case filings. (Exc. at 12).

The OCA replies that the DSIC was not capped at 5% to deter companies from making infrastructure improvements as those costs can still be recovered in a base rate proceeding. Instead, the cap was instituted to protect ratepayers from the potential pitfalls of the surcharge mechanism. The OCA posits that it is the responsibility of the Petitioner to manage its operations, and it should not expect to recover returns above those authorized by the Commission simply because it chooses to spend more than it could recover via the surcharge mechanism. (OCA R.Exc. at 7).

Regarding the frequency of base rate case filings and an increase in the DSIC cap, the Petitioner stated that the requested 50% increase in the DSIC cap would not guarantee that the Petitioner will not file another base rate case within two years.[16] The OSBA points out that with the 5% DSIC cap, the Petitioner has been able to avoid a base rate increase for more than three years, and at the same time, accelerate its DSIC-eligible spending. (OSBA R.Exc. at 14; PAWLUG R.Exc. at 6 -7). Therefore, the evidence supports that the Petitioner does not need an increase in its DSIC cap in order to move to a three-year base rate case filing cycle. (OSBA R.Exc. at 15).

PAWLUG states that while the Petitioner asserts the claimed increase in its DSIC cap is modest (from 5% to 7.5%) and an approval of that 50% increase will support a three-year or longer base rate case filing cycle, the ALJ found that the requested increase is not in the public interest. (PAWLUG R.Exc. at 6, 7). PAWLUG noted that the increase in DSIC cap were to be granted, the monthly billing for one of the Petitioner's largest customers would increase by approximately $3,000 while the average residential customer would pay approximately $12.00 more annually. (R.D. at 11, 12). PAWLUG also points to the fact that the Petitioner could not affirm a greater time span between the filing of base rate cases if its increase in the DSIC were permitted. (PAWLUG R. Exc. at 7).

The OTS contends that instead of recognizing that the current 5% DSIC cap helps the Petitioner complete infrastructure projects between base rate case filings, the Petitioner is treating the DSIC as a funding source to achieve infrastructure goals set by management rather than as a regulatory tool that has accomplished exactly what it is supposed to accomplish. (OTS R.Exc. at 11).

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[16] On April 27, 2007, the Petitioner filed a base rate case with the Commission, which upon completion will reset the DSIC to zero. The base rates established in this most recent base rate case will become effective on or before January 28, 2008. (R.D. at 16).

We agree with the Petitioner that the evidence presented in the instant case reveals a choice between:

> (1) providing the Company with adequate resources (a 7.5% DSIC cap) to support a three-year or more base rate case filing cycle, or (2) providing the Company with more limited resources (a 5% DSIC cap) that would encourage a more frequent base rate case cycle – every year or two.

(PAWC Exc. at 12; Tr. at 98-100). The current DSIC cap of 5% will not provide the Company with resources adequate to achieve this Commission's long term objective, accelerating the replacement of aged water distribution systems throughout the Commonwealth. Increasing the DSIC cap to 7.5% would achieve a reasonable balance between supporting the Company's efforts to improve its distribution system while encouraging it to make reasonably frequent base rate filings. PAWC has used the funds available to it under the current 5% cap consistent with the legislative intent. We believe that the incremental increase in the cap to 7.5% will permit the Company to accelerate its replacement of this critical distribution infrastructure.

In addition, a response is necessary to the argument put forth by the OCA that simple presentation of expenses virtually guarantees recovery without the oversight of a base rate case proceeding. (OCA M.B. at 12). Expense recovery is granted only for those DSIC-eligible projects that are prudently incurred, in service, and used and useful. In raising the level of DSIC expense recovery, we clearly intend to continue its cautious use. Contrary to the OCA's reference to the reasoning of the Commonwealth Court in the recent Collection System Improvement Charge Appeal, the DSIC review and audit process includes a determination of compliance and prudence.[17] Hence, the OCA's reference to the recovery of projects being relatively automatic (using the example of a solid gold manhole cover being allowed, provided the expense was made and submitted)

[17] *Popowsky v. Pa. PUC*, 869 A.2d 1144, 1156 (Pa. Cmwlth. 2005).

is simply not accurate nor reflective of the extensive and thorough DSIC review process. Accordingly, we will grant the Petitioner's Exception on this issue.

Conclusion

Based upon the foregoing discussion, we shall grant the Petitioner's Exceptions and reverse the ALJ's Recommended Decision; **THEREFORE,**

IT IS ORDERED:

1. That the Exceptions filed by Pennsylvania-American Water Company on June 5, 2007, are granted, consistent with this Opinion and Order.

2. That the Recommended Decision of Administrative Law Judge Wayne L. Weismandel is reversed, consistent with this Opinion and Order.

3. That the Petition of Pennsylvania-American Water Company for Approval to Implement a Tariff Supplement to Water Tariff Water-PA P.U.C. No. 4 Revising the Distribution System Improvement Charge filed October 17, 2006, is granted.

4. That Pennsylvania-American Water Company shall place into effect Supplement No. 23 to Tariff Water-PA P.U.C. No. 4 First Revised Page 12B3, on one days notice, the same having been found to be just, reasonable, and in the public interest.

5. That the formal Complaint filed by Irwin A. Popowsky, Consumer Advocate, at Docket Number P-00062241C0001 is dismissed.

6. That the Protests filed December 18, 2006, by the Office of Consumer Advocate and by the Office of Small Business Advocate are dismissed.

7. That the formal Complaints filed by Marlane A. Pizzi at Docket Number P-00062241C0002, Jamin Benson at Docket Number P-00062241C0003, Frank J. Paris at Docket Number P-00062241C0004, Richard O. Adams at Docket Number P-00062241C0005, and D. Wintermeyer at Docket Number P-00062241C0006 are dismissed for lack of prosecution and the records marked closed.

8. That the record in this case be marked closed.

BY THE COMMISSION,

James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: July 11, 2007

ORDER ENTERED: August 14, 2007

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held December 4, 2014

Commissioners Present:

Robert F. Powelson, Chairman
John F. Coleman, Jr., Vice Chairman
James H. Cawley
Pamela A. Witmer
Gladys M. Brown

Petition of Pennsylvania-American Water Company Wastewater Operations for Approval of its Long-Term Infrastructure Improvement Plan	P-2014-2431005
Petition of Pennsylvania-American Water Company Wastewater Operations for Approval of a Distribution System Improvement Charge	P-2014-2431005
Office of Consumer Advocate v. Pennsylvania-American Water Company Wastewater Operations	C-2014-2433700

OPINION AND ORDER

BY THE COMMISSION:

Before the Commission for consideration is the Petition for approval of the Long-Term Infrastructure Improvement Plan (LTIIP) and the Distribution System

Improvement Charge (DSIC) of Pennsylvania-American Water Company Wastewater Operations (PAWC or Company).

HISTORY OF THE PROCEEDING

Pennsylvania-American Water Company – a wholly owned subsidiary of American Water Works Company, Inc. – is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. Pennsylvania-American Water Company is in the business of furnishing water and sewer service to retail customers within the Commonwealth, and is therefore a "public utility" within the meaning of Section 102 of the Public Utility Code, 66 Pa. C.S. §§ 102, subject to the regulatory jurisdiction of the Commission. PAWC provides wastewater service to approximately 16,800 customers through its nine wastewater collection systems located in seven counties across the state. PAWC provides this wastewater service through approximately 267 miles of mains, 3,814 manholes, and 47 lift stations that it owns, operates and maintains.

PAWC's LTIIP was filed on July 3, 2014, with copies being served upon the statutory advocates in accordance with *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611 (August 2, 2012) (Final Implementation Order). The DSIC was also filed on July 3, 2014. PAWC's DSIC Petition includes Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 15 to introduce the DSIC Rider into the Company's tariff with an effective date of January 1, 2015. The filing was made pursuant to 66 Pa. C.S. § 1353 and the Final Implementation Order.

The Office of Consumer Advocate (OCA) filed comments pertaining to the LTIIP on July 23, 2014, but did not initially request hearings. On July 23, 2014 the OCA filed a Public Statement, a Formal Complaint (Docket No. C-2014-2433700), and an

Answer to PAWC's DSIC Petition, in which the OCA states that the Commission should deny PAWC's Petition as filed, suspend the proposed Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 15, and refer the matter to the Commission's Office of Administrative Law Judge (OALJ) for a full hearing and investigation pursuant to the OCA's complaint.

On July 23, 2014 the Office of Small Business Advocate (OSBA) filed a Notice of Intervention, Public Statement, and Notice of Appearance to PAWC's LTIIP/DSIC Petition. The OSBA requested hearings and such relief as may be necessary or appropriate, but did not allege that any particular provision or relief requested by PAWC should be denied.

On July 11, 2014 a comment on the PAWC DSIC was received from one individual customer, who argued against implementation of a DSIC.

No objections or comments were received from federal, state or local governmental agencies.

BACKGROUND

On February 14, 2012, Governor Corbett signed into law Act 11 of 2012, (Act 11),[1] which amends Chapters 3, 13 and 33 of Title 66. Act 11, *inter alia*, provides jurisdictional water and wastewater utilities, electric distribution companies (EDCs), and natural gas distribution companies (NGDCs) or a city natural gas distribution operation with the ability to implement a DSIC to recover reasonable and prudent costs incurred to repair, improve or replace certain eligible distribution property that is part of the utility's distribution system. The eligible property for the utilities is defined in 66 Pa. C.S. §1351.

[1] http://www.legis.state.pa.us/WU01/LI/LI/US/HTM/2012/0/0011..HTM.

Act 11 states that as a precondition to the implementation of a DSIC, a utility must file a LTIIP with the Commission that is consistent with 66 Pa. C.S. §1352.

On April 5, 2012, the Commission held a working group meeting for discussion and feedback from stakeholders regarding its implementation of Act 11. On May 10, 2012, the Commission issued a Tentative Implementation Order addressing and incorporating input from the stakeholder meeting. Stakeholders filed comments to the Tentative Implementation Order on June 6, 2012. On August 2, 2012, the Commission issued the Final Implementation Order, at Docket No. M-2012-2293611, establishing procedures and guidelines necessary to implement Act 11.

The Final Implementation Order adopts the requirements established in 66 Pa. C.S. § 1352, provides additional standards that each LTIIP must meet, and gives guidance to utilities for meeting the Commission's standards. The Final Implementation Order of Act 11 requires the inclusion of seven elements in the LTIIP.

PAWC's LTIIP PETITION

PAWC's Petition

Before the Commission for consideration is the Petition for approval of PAWC's LTIIP, filed on July 3, 2014. Act 11 states that as a precondition to the implementation of a DSIC, a utility must file a LTIIP with the Commission that is consistent with 66 Pa. C.S. §1352.

PAWC's LTIIP is a five year plan, over which the Company plans to replace approximately 94,000 linear feet (LF) of pipeline, 1,200 laterals, 400 manholes, and one lift station. PAWC's projected annual investments in wastewater infrastructure replacement over the course of the plan will be approximately $5.14 million.

As of February 28, 2014, PAWC provided service to 16,803 wastewater customers, including five bulk municipal customers, in several counties in Pennsylvania. The condition of PAWC's collection systems vary depending upon age, materials, soil conditions, and construction methods and design. Some collection systems require significant capital investment to maintain safe and reliable service as a result of aging infrastructure and to reduce infiltration and in-flow (I & I) resulting from rainwater and groundwater.

PAWC wastewater systems include Blue Mountain Lake, Lehman-Pike (Saw Creek Estates), Pocono Country Place, Claysville, Coatesville, Clarion, Franklin (Cashtown/McKnightstown Sewage Treatment Plant), Koppel and Marcel Lake (Clean Treatment). The Company states that since acquiring the wastewater systems, it has made improvements based upon studies and investigations that have identified the need for refurbishment of deteriorated and failed piping and manholes. PAWC has utilized Geographic Information System (GIS) to identify and prioritize specific wastewater collection components for replacement and rehabilitation considering material type, diameter, age, and I & I findings. PAWC used maps, consulting services, and other sources of data to supplement missing GIS data.

The Company also states that there is a need for continued rehabilitation, improvement, and replacement of the collection systems in order to maintain efficient, safe, reliable and reasonable service, and to allow continued compliance with existing and evolving regulatory standards imposed by state and federal agencies.

Of particular importance is the need to reduce I & I. I & I increases the volume of wastewater that must be treated, thus increasing pumping and chemical expense, and may require additional capital investment to expand treatment, pumping and sludge disposal facilities. Accordingly, PAWC states that it is committed to making on-

going capital investments in its wastewater collection systems currently and for the foreseeable future to reduce I & I.

PAWC's planning process for replacement of aging collection system infrastructure was based on a macro-level overview of each wastewater system. GIS data assisted with identifying and prioritizing likely wastewater problems.

PAWC has also filed a petition at P-2014-2431005 for approval of a DSIC. DSIC is a ratemaking mechanism that allows for the recovery of prudently incurred costs related to the repair, improvement and replacement of utility infrastructure through a surcharge on a timelier basis, subject to reconciliation, audit and other consumer protections.

On March 14, 2013, the Commission issued a proposed rulemaking on the LTIIP at L-2012-2317274. The proposed rulemaking acknowledged the Commission's decision against establishing a separate Pipeline Replacement and Performance Plan filing process at Docket No. M-2011-2271982, because it would be duplicative of the Act 11 DSIC regulatory process, specifically, the filing of LTIIPs. The Commission, nevertheless, determined that it would rather order additional actions from NGDCs if necessary, in order to safeguard the public. The Commission also acknowledged that the implementation of a DSIC mechanism may lead to numerous construction projects by the utilities. The Commission is aware that these construction projects could lead to significant disruptions as utilities perform work in the right of ways of the roadways and streets across the Commonwealth in order to repair or replace their infrastructure. Therefore, the Commission has directed, by way of the proposed rulemaking, that a utility, as part of its LTIIP, should provide a description of its outreach and coordination activities with other utilities, Pennsylvania Department of Transportation (PennDOT), and local governments regarding their planned maintenance/construction projects and roadways that may be impacted by the plan.

As a result, the proposed rulemaking added an additional element, thereby increasing the original seven elements in the LTIIP to eight as shown below:

(1) Types and age of eligible property;
(2) Schedule for its planned repair and replacement;
(3) Location of the eligible property;
(4) Reasonable estimates of the quantity of property to be improved;
(5) Projected annual expenditures and measures to ensure that the plan is cost effective;
(6) Manner in which replacement of aging infrastructure will be accelerated and how repair, improvement or replacement will maintain safe and reliable service;
(7) A workforce management and training program; and
(8) A description of a utility's outreach and coordination activities with other utilities, PennDOT and local governments on planned maintenance/construction projects.

PAWC's LTIIP addressed these eight elements as required in the Final Implementation Order of Act 11 and the proposed rulemaking of March 14, 2013, as outlined below.

(1) TYPES AND AGE OF ELIGIBLE PROPERTY

PAWC's Petition

PAWC stated that it owns the following types of sewer collection systems:

Gravity System – PAWC owns approximately 847,282 LF of gravity main and 3,814 manholes including a portion of the customer service lateral from the main to the edge of the right-of-way or property line. The material used generally depends on the year of installation, with newer mains comprised of polyvinyl chloride (PVC) and older mains comprised of vitrified clay pipe. Newer manholes are comprised of pre-cast or cast in place concrete whereas, older manholes are brick.

Force Mains – PAWC owns approximately 103,973 LF of force main and 47 lift stations. Generally, older force main material is comprised of ductile iron with newer mains consisting of PVC.

Low Pressure – In a low-pressure collection system, individual customer sewage collects in a grinder pump and pit installation. Sewage is pumped from the pit through a customer service lateral and the low pressure force main. PAWC owns approximately 456,574 LF of low pressure main.

The ages of the wastewater collection systems when initially constructed, range from the 1920's for the Koppel system to 1990 for Blue Mountain Lake, with the largest system being Coatesville, dating to the 1930's. A summary of the wastewater systems by feet of main, manholes, lift stations, and system ages of eligible property is summarized in Table No. 1 below.

TABLE No. 1 - TYPES AND AGE OF ELIGIBLE PROPERTY

Wastewater System	Gravity Main (LF)	Force Main (LF)	Low Pressure Main (LF)	Manholes	Lift Stations	System Age
Blue Mountain Lake	0	0	67,825	0	0	>1990
Lehman-Pike	0	0	268,484	0	13	>1980
Pocono Country Place	150,591	5,407	94,265	657	2	>1975
Claysville	62,126	1,100	0	343	1	>1983
Coatesville	331,017	85,826	0	1,564	16	>1930s
Clarion	200,901	11,640	0	903	5	>1930s
Franklin*	47,906	0	0	165	0	2004
Koppel	24,041	0	0	85	0	>1920s
Marcel Lake	30,700	0	26,000	97	10	>1960
TOTAL	**847,282**	**103,973**	**456,574**	**3,814**	**47**	

*Does not include eligible property from Hamiltonban System, which is expected to be interconnected to the Franklin System in 2015.

Comments

The OCA submits that additional background information may be needed to assist the Commission in determining that the LTIIP will accelerate the infrastructure repair and replacement in a cost effective manner. Specifically, the OCA recommended that the Company provide the following information pertaining to the LTIIP:

A breakdown of historic annual replacement and retirement by category of plant.

A breakdown of historic annual replacement and retirement by individual system.

Resolution

In response to the OCA's concerns, PAWC provided specific information on each item listed below. The Commission will address each of these concerns and make appropriate resolutions.

Breakdown of Historic Annual Replacement and Retirement by Category of Plant

PAWC's Petition states that, overall, the Company spent an average of $3.79 million annually from 2009 through 2013, or approximately $239 annually per customer, and that it proposes to increase the wastewater DSIC eligible spending to $5.14 million annually, representing a 35.6 percent increase or approximately $305 per customer, in order to continue making the necessary improvements at an accelerated pace. The historic annual expenditures for the years 2009 through 2013 are shown on Figure 2, p. 25 of PAWC's LTIIP.

The categories of repairs and rehabilitation include aggressive abatement of I & I of gravity main, rehabilitation of laterals and manholes, construction of a wet weather storage tank, and upgrades to lift stations.

Following these upgrades, additional capital spending may be warranted to rehabilitate, improve and replace aging elements of the collection system in order to maintain adequate, efficient, safe, reliable and reasonable service, and to comply with regulatory standards. This type of historic spending investment profile will be cyclical in nature as the Company moves from system to system to address wastewater infrastructure needs.

Breakdown of Historic Annual Replacement and Retirement by Individual System

Marcel Lakes, Franklin, and Koppel were acquired in 2013 and have low historical spending levels. Infrastructure replacement in newly acquired troubled wastewater systems will initially be minimal because the systems are undergoing condition and performance assessment, planning, design and permitting. These actions can typically be followed by a multi-year period of significant infrastructure investment to correct deficiencies.

The work on individual systems includes the following:

- PAWC stated that an aggressive I & I abatement program was implemented in the Pocono Country Place system that resulted in rehabilitation of 2,200 LF of gravity main and 130 manholes.

- Improvements to the Claysville system consisted of construction of a wet storage tank to minimize sanitary sewer overflows.

- For the Coatesville system, an aggressive I & I abatement program was implemented. Portions of the collection system were rehabilitated using trenchless technologies to allow the rehabilitation to be completed in a cost-effective, safe and reliable manner.

- Work in the Clarion system included main line, manhole, and lateral rehabilitations, as well as upgrades to lift stations. The work consisted of replacement of 7,728 LF of undersized segments of main, abandonment of parallel sewers, and improvements to the Liberty Lift Station.

Figure 2 – Projected and Historic Wastewater DSIC Eligible Capital Expenditures, shown on p. 25 of PAWC's LTIIP filing, demonstrates historical and projected annual expenditures.

Upon review of PAWC's LTIIP and all supplemental information and explanations filed, the Commission finds that the requirements of element one of the Final Implementation Order of Act 11, types and age of eligible property, have been fulfilled.

(2) SCHEDULE FOR PLANNED REPAIR AND REPLACEMENT OF ELIGIBLE PROPERTY

PAWC's Petition

PAWC recognizes the need for continual renewal of the collection and conveyance system to maintain quality and reliable service to its customers. The Company has been rehabilitating and repairing system components since acquiring its various wastewater systems. For the future, PAWC proposed expenditures that will prioritize remediation of I & I, applying a macro and micro level of analysis and investigation.

The macro level identifies general categories based on systems having significant I & I issues. I & I flows have been developed for each system from sewer system investigation studies and reports that included flow measurement, smoke testing, CCTV inspection, system modeling, and inspections of manholes and pump station. A corrective action plan was developed based on the studies and analysis. The Company indicated that the focus for project expenditures was tied to reducing I & I.

The micro level main replacement planning involves addressing specific

pipes and manholes within the broader categories. Specifically, performance characteristics such as cracks in mains and other criteria that impede performance are targeted. The findings of I & I investigations and video inspections will be used to target specific pipe segments and laterals that require rehabilitation. Selection of projects for repair or replacement is prioritized based on environmental impact, public health, and capacity required in a specific area.

Pipe replacement is warranted when structural integrity has been compromised or the pipe has inadequate size, grade, or is misaligned. Trenchless technologies that eliminate the need to excavate a continuous trench, such as cured-in-place liners or slip lining, are utilized when replacement of the pipe is not used, and represent a cost-effective method for pipe rehabilitation. PAWC submitted a schedule of planned replacement/rehabilitation in response to Data Request A-1.

Comments

The OCA submitted that the following additional information may be needed by the Commission and its staff in their review of PAWC's LTIIP:

> *A table showing the projected annual expenditures by eligible plant categories and by system and an explanation of the basis for the proposed expenditures.*

The OCA commented that the information provided in the filing did not tie the projected annual expenditures to individual systems or to the priorities identified in the overview of each system.

Resolution

In response to TUS data requests, PAWC provided a detailed table showing

a breakdown of expenditures of eligible property for each type of property by year and by wastewater system. The table listed the year, capital budget, unit cost, length, depth and size of main, and other eligible components of the collection system. Mains were classified as gravity pipe, low pressure main, or force mains. An explanation for the proposed expenditures is provided in the above paragraphs.

Wastewater DSIC projects are prioritized in the following manner. Repair vs. replacement decisions are based on a determination of the main's hydraulic capacity under both existing and projected flow conditions and the main's physical characteristics. Line segments are cleaned and televised to permit this physical examination. Individual line segments are rated to the NASSCO rating system utilizing the PACP Structural Grade and PACP Maintenance Grade. Individual line segments are categorized to determine the appropriate action plan, as Replacement, Full Lining, Point Repairs, or No Current Action Needed.

The projects are scored in a prioritization model to compare and evaluate with different capital projects. Scoring is based on evaluation criteria of: Provides Reliable Service, Provides Adequate Capacity/Supports Growth, Improve Customer Satisfaction, Meets Regulatory Compliance, and Enhances Safety.

Upon review of PAWC's LTIIP and all supplemental information and explanations filed, the Commission finds that the requirements of element two of the Final Implementation Order, schedule for planned repair and replacement of eligible property, have been fulfilled.

(3) LOCATION OF ELIGIBLE PROPERTY

PAWC's Petition

PAWC wastewater systems include: Blue Mountain Lake, Lehman-Pike (Saw Creek Estates), Pocono Country Place, Claysville, Coatesville, Clarion, Franklin (Cashtown/McKnightstown Sewage Treatment Plant), Koppel and Marcel Lake (Clean Treatment). The Company states that since acquiring the wastewater systems it has made improvements based upon studies and investigations that have identified the need for refurbishment of deteriorated and failed pipes and manholes.

For example, the Company anticipates that it will complete the following repairs/rehabilitation of gravity pipe, as summarized by year and wastewater system in Table No. 2 below.

TABLE No. 2 – REPAIR/REHABILITATION OF GRAVITY PIPE (LF)

System	2015	2016	2017	2018	2019
Clarion	1,348	1,898	2,618	3,848	5,048
Claysville	60	80	160	240	320
Coatesville	6,423	2,870	4,370	8,230	5,620
Pocono	1,000	1,000	1,500	2,000	2,500
Marcel Lk.	200	200	200	1,000	1,200
Koppel	2,500	1,000	-	-	3,500

In addition, the Company included a schedule, broken down by year and system, indicating that it will repair/replace 403 manholes, 1,203 laterals and a lift station during the period of 2015 through 2019.

Comments

No comments were received regarding the location of eligible property.

Resolution

Upon review of the LTIIP, the Commission finds that element three of the Final Implementation Order, the location of eligible property requirement, has been fulfilled.

(4) REASONABLE ESTIMATES OF THE QUANTITY OF PROPERTY TO BE IMPROVED

PAWC's Petition

The estimated quantity of property by year and category of property are shown in Table No. 3 below as submitted in the Company's Petition. To compile these estimates, the best available information was used regarding the infrastructure needs for each wastewater system. The Company states that the actual quantities and scheduling may change depending on the outcome of the sewer system evaluation or other planning studies as described in the LTIIP.

Table No. 3 - PAWC's Reasonable Estimates of the Quantity of Property to be Improved

Category	2015	2016	2017	2018	2019	5 Year Total
Pipeline Replacement LF*	13,700	21,600	25,800	17,200	15,900	94,200
Laterals	219	150	177	349	308	1,203
Manholes	80	60	75	93	95	403
Lift Station	1	-	-	-	-	1

Includes gravity pipe, low pressure main and force main.

Comments

No comments were received on the quantity of property to be improved.

Resolution

Upon review of PAWC's LTIIP and all supplemental information filed, the Commission finds that the requirements of element four of the Final Implementation Order, reasonable estimates of the quantity of property to be improved, have been fulfilled.

(5) PROJECTED ANNUAL EXPENDITURES AND MEASURES TO ENSURE THAT THE PLAN IS COST EFFECTIVE

PAWC's Petition

The Company states that the most prudent and cost-effective method will be selected, as PAWC uses competitive bidding to ensure all major projects are completed in a cost effective manner.

PAWC projected annual expenditures for the years 2015 through 2019. Some quantities may change depending on engineering studies and sewer system evaluations. The projected annual expenditures in millions of dollars are shown in Table No. 4 below.

Table No. 4 - PAWC Projected Annual LTIIP Budget 2015-2019 ($ Millions)

Year	2015	2016	2017	2018	2019	Total
Budget	$5.2	$5.3	$5.7	$5.1	$4.4	$25.7

In response to Data Request A-3, to ensure that projects are cost effective, the Company avers that it bids sewer projects with water projects where possible to achieve cost savings. Additionally, when sewer main work is combined with water main work or coordinated with municipal roadway projects or other underground utility work in the same project area, cost savings are achieved by coordinating paving restoration on municipal or state roadways. If projects are not completed, the infrastructure will continue to deteriorate resulting in an increase in I & I and emergency repairs. This results in increased capital expenditures for main and lateral repairs, as well as increased treatment costs.

Two examples can best demonstrate cost effective savings. The first example is a combined water and wastewater main installation on Beale Drive in the Borough of Parkesburg. The existing 4" cast iron main was replaced with an 8" DICL water main, and under the same contract 736 LF of VCP sewer main was replaced with 18" PVC. In this area on Beale Drive the overlay restoration was shared. Additionally, the unit cost of the water and sewer main was lower than historical unit costs of water or sewer main alone. The result was a cost savings of approximately $33,000.

The second example is a combined water and wastewater main installation project performed in conjunction with a street widening and paving project on South Street in Clarion Borough. The sanitary sewer replacements consisted of the replacement of manholes at four intersections, replacement of approximately 100 LF of 24" sewer, and the replacement of two laterals. The water main replacement consisted of the installation of approximately 1,700 LF of 8" water main. If this work had not been coordinated with the municipality, base repair and mill and overlay for half of the roadway to restore the water and sewer trench areas would have amounted to approximately $122,000. In this instance, PAWC contributed $19,107 to the Borough for restoration and their contractor completed the restoration work. The avoided cost of restoration amounted to approximately $103,000.

Comments

The OCA commented that the information provided should be supplemented by projections of hydraulic and organic loading and planning. Specifically, the OCA recommended that the Company provide the following information pertaining to the LTIIP:

> *Report containing the information required by 25 Pa. Code 94.12 regarding 5-year hydraulic and organic loading and prioritizing of DSIC eligible projects.*

Pennsylvania Department of Environmental Protection (PaDEP) Municipal Waste Load Management regulations in Chapter 94 pertain to treatment plants and sewer systems owned by or serving a municipality. The following PAWC wastewater systems meet these criteria: Coatesville, Clarion, Claysville/Donegal, Koppel, and Franklin. Annual Chapter 94 reports are filed with PaDEP for these systems. The purpose of these regulations is to provide adequate sewage conveyance and treatment for future needs, prevent sewerage facilities from becoming overloaded, limit additional connections to overloaded facilities, correct overload conditions, and prevent the introduction of industrial discharges into sewer systems that will interfere with operations or pass through the treatment plant. These reports are useful in determining future infrastructure improvement needs for both the wastewater treatment plant and collection systems.

The remaining three systems – Pocono Country Place, Lehman Pike (Saw Creek), and Blue Mountain Lake Estates – are residential developments in the Poconos and are not required to file Chapter 94 reports. For planning and management purposes, PAWC evaluates the 5-year hydraulic and organic loading projections for these systems on a regular basis.

Resolution

Upon review of PAWC's LTIIP and all supplemental information filed, the Commission finds that the requirements of element five of the Final Implementation Order, projected annual expenditures and measures to ensure that the plan is cost effective, have been fulfilled.

(6) ACCELERATED REPLACEMENT AND MAINTAINING SAFE AND RELIABLE SERVICE

PAWC's Petition

The Commission's Final Implementation Order noted that utilities should reflect and maintain acceleration of infrastructure replacement. Utilities that have already taken substantial steps towards increasing capital investment to address the issue of aging infrastructure needed to reflect in their LTIIP how the DSIC will maintain or augment acceleration of infrastructure replacement and prudent capital investment.

PAWC states that, overall, the Company spent an average of $3.79 million annually from 2009 through 2013, or approximately $239 annually per customer, and that it proposes to increase the wastewater DSIC-eligible spending to $5.14 million, representing a 35.6 percent increase or approximately $305 annually per customer, in order to continue making the necessary improvements at an accelerated pace. The historic annual expenditures from 2009 through 2013, as well as the projected annual expenditures from 2015 through 2019, are shown on Figure 2 of PAWC's LTIIP, demonstrating an acceleration of plant investment for DSIC eligible property.

PAWC states that, the proposed replacements that are slated to be completed over five years under the LTIIP, would have taken seven years to complete if the historical average annual spending levels were maintained.

Comments

No comments were received regarding accelerated replacement and maintaining safe and reliable service.

Resolution

Upon review of PAWC's LTIIP and all supplemental information and explanations filed, the Commission finds that the requirements of element six of the Final Implementation Order, manner in which replacement of aging infrastructure will be accelerated and how repair, improvement or replacement will maintain safe and reliable service, have been fulfilled.

(7) WORKFORCE MANAGEMENT AND TRAINING PROGRAM

PAWC's Petition

PAWC states that in order to ensure system reliability and public safety, all wastewater DSIC-eligible projects will be constructed by qualified contractors. PAWC uses competitive bidding and maintains a prequalified process to ensure all contractors are qualified to perform work in a cost-effective, safe and reliable manner. PAWC uses prequalified contractor screening and management services, helping PAWC certify and centralize data, perform pre-project screening, and contractor pre-qualification.

During pre-qualification screening, contractors and subcontractors are

required to submit documentation such as:

- Safety company policy, designated safety inspector, OSHA lost work days, and recordable incidents of OSHA violations.
- Worker's Compensation Experience Ratings.
- Staffing information.
- Annual value of work and percentage of work relevant to bid project.
- Work experience schedule.
- Bonding capacity.
- Liability Insurance coverage.
- References.

All construction projects performed by independent contractors are properly inspected. PAWC employees are actively engaged in the direct supervision of project inspections. The project close-out includes a punch-list to ensure all work is completed according to contract documents.

Comments

No comments were received regarding the workforce management and training program.

Resolution

Upon review of PAWC's LTIIP, the Commission finds that the requirements of element seven of the Final Implementation Order, a workforce management and training program, have been fulfilled.

(8) DESCRIPTION OF OUTREACH AND COORDINATION ACTIVITIES WITH OTHER UTILITIES, PENNDOT AND LOCAL GOVERNMENTS ON PLANNED PROJECTS

PAWC's Petition

PAWC states that the acceleration of aging infrastructure proposed in the LTIIP will lead to disruptions as work is performed in right-of-ways of roads and streets across the PAWC service area. Local municipalities and other utilities/agencies may be planning paving projects or underground infrastructure replacement projects located in the same right-of-ways as PAWC wastewater infrastructure construction. PAWC recognizes that coordination with other utilities minimizes disruption and ensures that infrastructure replacement is efficient and cost effective. Therefore, PAWC plans to take the following steps to reach out to customers about disturbances, and to coordinate with other utilities within the PAWC service area:

- Utilize Pennsylvania's one-call system for "design notifications".
- Maintain open communication with local municipalities to stay informed about planned utility and paving projects.
- Maintain communication with PennDOT Utility Administrators.
- Maintain communication/work relationships with other utilities operating in PAWC service area.
- Where applicable and cost-effective, use trenchless technologies to minimize roadway disturbance.
- Prior to working within a community, issue door-to-door notifications, press releases and/or information letters to notify those customers/community associations affected by the work.

Comments

No comments were received regarding outreach and coordination activities with other utilities, PennDOT, and local governments.

Resolution

Upon review of PAWC's LTIIP and all supplemental information and explanations filed, the Commission finds that the requirements of element eight of the Final Implementation Order, a description of a utility's outreach and coordination activities with other utilities, PennDOT and local governments on planned maintenance/construction projects, have been fulfilled.

LTIIP SUMMARY

The Commission has reviewed each of the eight required elements of PAWC's Petition for Approval of its LTIIP individually and has taken into account the comments received on this petition. While the Commission's Final Implementation Order stated, at page 18, that the LTIIP "need only address the specific property eligible for DSIC recovery," the inclusion of arguably non-DSIC-eligible property does not void the LTIIP application, nor is the inclusion of such property in the LTIIP dispositive of whether the cost of that project will be afforded DSIC recovery. The issues of eligibility and cost recovery, for all property claimed as DSIC-eligible, are to be addressed and resolved in the subsequent DSIC petition and calculation. Accordingly, PAWC's LTIIP is approved.

PAWC'S DISTRIBUTION SYSTEM IMPROVEMENT CHARGE PETITON

Section 1353 requires utilities to file a petition seeking approval of a DSIC that includes the following:

1. An initial tariff that complies with the Model Tariff adopted by the Commission, which includes:
   a. A description of eligible property;
   b. The effective date of the DSIC;
   c. Computation of the DSIC;
   d. The method for quarterly updates of the DSIC; and
   e. A description of consumer protections.
2. Testimony, affidavits, exhibits, and other supporting evidence demonstrating that the DSIC is in the public interest;
3. A Long Term Infrastructure Improvement Plan (LTIIP) as described in Section 1352, 66 Pa. C.S. § 1352;
4. Certification that a base rate case has been filed within five years prior to the filing of the DSIC petition; and
5. Other information required by the Commission.

PAWC's petition addresses each of the elements listed in the statute, as detailed below.

(1) Tariff Filing

Section 1353 requires utilities to file an initial tariff that complies with the Model Tariff adopted by the Commission. PAWC's proposed Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 15 (Supplement No. 4) closely reflects the language of the Model Tariff. However, PAWC shall make the tariff sufficiency modifications as

spelled-out in Appendix A at the conclusion of this Order. We shall review each item in turn.

(a) Eligible Property

PAWC's Petition

PAWC designates the same property as DSIC-eligible as it included in its LTIIP, including the following: collection sewers; collecting mains; service laterals; valves; manholes; lift stations; grinder pumps; flow meters; inflow and infiltration projects; unreimbursed costs related to highway relocation projects; collection main extensions installed to implement solutions to wastewater problems that present health and safety concerns for customers; and other related capitalized costs. Details of PAWC's DSIC-eligible property are discussed thoroughly in the LTIIP section of this Order. Eligible property for wastewater utilities is defined in Section 1352, 66 Pa. C.S. § 1351(4).

Comments

The OCA notes the importance of ensuring that the eligible plant that goes into service in January and February of 2015, hence forming the basis for the calculation of the DSIC to be effective on April 1, 2015, does not include any plant that was included in the fully projected future test year that was utilized by PAWC in its prior rate case at Docket No. R-2013-2355276. The OCA says that, although the plant is projected to go into service by December 31, 2014, it is possible that some projects may be delayed until early 2015, and if that happens, then those projects should not be included in the DSIC calculation. The OCA also points out that, as per an adopted Commission provision related to the PAWC rate case, before it may impose a DSIC PAWC must provide

confirmation that the balances of DSIC-eligible accounts, net of plant funded with customer advances and customer contributions, exceed the December 31, 2014 levels of investment in plant additions projected in the rate case.

Resolution

We agree with both of the OCA's contentions, and in particular affirm the notion that no eligible plant that has previously been slated for recovery as part of a rate case should be eligible for DSIC recovery. As such, PAWC has confirmed with the Commission that any wastewater projects that PAWC claimed to be in-service during 2014 as part of its last rate case are on schedule to be in-service by December 31, 2014, and that any costs associated with these projects that would be recorded after December 31, 2014 would be excluded from the PAWC DSIC filing effective April 1, 2015. In addition, the Company agrees that it will not begin to impose a wastewater DSIC until the balances of the wastewater DSIC-eligible accounts, net of plant funded with customer advances and customer contributions, exceed the December 31, 2014 levels of investment in plant additions projected by PAWC in the rate case at Docket No. R-2013-2355276.

PAWC's description of eligible property in Supplement No. 4 aligns with the description of eligible property for wastewater utilities in the Model Tariff; therefore, the Commission deems PAWC's tariff to be compliant with Section 1353 as it pertains to the issue of eligible property.

(b) Effective Date

PAWC's Petition

PAWC's Supplement No. 4 has an effective date of January 1, 2015 with an initial DSIC rate of 0%. As outlined by Company witness John R. Cox, PAWC will

file for its first non-zero DSIC rate, reflecting plant additions for the months of January and February 2015, to be effective on April 1, 2015.

Comments

The OCA submits that PAWC should not be permitted to implement its DSIC rate until the issues raised have been fully investigated, and it has been determined that the DSIC rate has been calculated in accordance with Act 11 and the Commission's Final Implementation Order.

Resolution

Given that the OCA has raised issues and requested hearings regarding certain elements of PAWC's DSIC petition, we shall refer some of those issues to the OALJ for hearing and recommended decision. However, consideration of those issues need not delay implementation of the DSIC mechanism itself. We shall permit PAWC to implement a DSIC mechanism, pursuant to a tariff filed on a 10-day notice and in compliance with the directives in this Order, but note that the rates charged pursuant to the DSIC surcharge shall be subject to recoupment and refund after final resolution of the issues brought before the OALJ. Therefore, based on requirements for DSIC quarterly updates, as more fully described below, the Commission directs PAWC to file a tariff no later than December 21, 2014, if PAWC wishes to have an effective date of January 1, 2015.[2] PAWC's tariff must be modified in a tariff filing as directed by the Commission in this Order.

[2] The quarters are fixed by statute. If PAWC does not have an effective date of January 1, 2015, the next earliest effective date would be April 1, 2015.

(c) Computation of the DSIC

PAWC's Petition

With the Supplement No. 4, PAWC proposes a Pro-Forma DSIC rate of 0% effective January 1, 2015. The formula for calculation of the DSIC is as follows:

$$DSIC = \frac{(DSI * PTRR) + Dep + e}{PQR}$$

Where:

DSI	=	Original cost of eligible distribution system improvement projects net of accrued depreciation.
PTRR	=	Pre-tax return rate applicable to DSIC-eligible property.
Dep	=	Depreciation expense related to DSIC-eligible property.
e	=	Amount calculated under the annual reconciliation feature or Commission audit.
PQR	=	Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus revenue from any customers which will be acquired by the beginning of the applicable service period.

PAWC will update this computation ten days before the actual approved effective date of the DSIC rate to reflect the following: the costs of all DSIC-eligible projects that were placed into service during the three month period ending one month prior to the approved effective date; PAWC'S actual capital structure and cost of long term debt as of one month prior to the effective date; and the Commission-allowed rate of return on equity. Therefore, for a DSIC effective January 1, 2015, a three-month period of September through November should be used when calculating the appropriate DSIC rate. PAWC's first non-zero DSIC rate will become effective on April 1, 2015 and will

be calculated to recover the fixed costs of eligible plant additions placed in service between January 1, 2015 and February 28, 2015, so as to not reflect any costs previously reflected in the Company's rates or rate base as part of its last base rate case at Docket No. R-2013-2355276.

In regards to the cost of equity, PAWC states that it will use the equity return rate approved in the Company's last fully litigated base rate proceeding for which a Final Order was entered no more than two years prior to the effective date of the DSIC. If more than two years have elapsed since the last base rate case, PAWC will revise its tariff to reflect the allowed ROE for DSIC purposes, as published by the Commission[3].

As stated by Company witness Cox, PAWC proposes to use the summation of projected revenues for the applicable three-month period to calculate its projected quarterly revenues for use in the DSIC computation.

Comments

The OCA claims that PAWC's DSIC calculation is incorrect because the DSIC computation does not reflect the impact of accumulated deferred income taxes (ADIT) associated with DSIC investments made by the Company, which in turn permits PAWC to earn a return on an investment balance that exceeds PAWC's actual investment, and because the calculation of the state income tax component of the DSIC revenue requirement determination requires further examination to ascertain whether it is consistent with the actual taxes paid doctrine.

The OCA also expressed concern that, given the fact that the Company has nine distinct wastewater systems consolidated into five zones for the purposes of cost of

[3] The ROE to be used in the DSIC calculation will be that which is calculated by the Commission in its most recent Quarterly Report on the Earnings of Jurisdictional Utilities.

service and revenue requirement, if PAWC proposes a single DSIC rate it is unclear how various issues will be treated if the Company files a base rate case for fewer than all of its systems. Such issues may include, what ROE will be used to calculate the DSIC, which effective date of new base rates will be used and how that will affect the statutory charge reset provision at 66 Pa. C.S. § 1358(b), and how earnings will be reported. Furthermore, the OCA points out that, due to the variation in rates across the five rate zones, the application of a single DSIC rate will result in some customers paying more on their monthly bill than customers in different systems. The OCA insists that it should be considered whether the application of a single DSIC rate would increase the disparity in monthly rates charged to PAWC wastewater customers in differing systems rather than narrow those disparities, as has been the practice over several base rate cases.

The OCA also raises the issue of whether the DSIC should be applied to the Franklin and Koppel wastewater systems. The OCA points out that PAWC's last rate case was in 2013 and that, as verified by Company witness Cox, the Franklin and Koppel systems were not included because they were acquired after the filing of the base rate case. The OCA claims that the Commission addressed this issue in the Final Implementation Order when it said the following:

> However, revenue from customers acquired from troubled companies or by the acquisition of such companies should not be factored into projected quarterly revenue and those customers should not be surcharged until their rates have been established by a base rate case of the acquiring utility. The projects affecting service to such customers are not eligible for DSIC treatment until it has been rolled into the acquiring utility's base rates.

Noting the Commission's determination in the Final Implementation Order – and that PAWC's proposed tariff does not distinguish the Franklin and Koppel rate zones from the other system rate zones, nor exclude the Franklin and Koppel rate zones

from the applicability of the DSIC – the OCA avers that the DSIC should not be applied to the Franklin and Koppel systems until they are included in a base rate case for PAWC Wastewater, and all eligible property from the Franklin and Koppel systems should be removed from the DSIC.

The OCA states that the DSIC surcharge proposed by PAWC is contrary to the established principles of sound ratemaking and would contribute to bad regulatory policy. The OCA requests that the Commission reject the proposed surcharge, and that the matter be referred to the OALJ for the development of an evidentiary record.

Resolution

Based on requirements for DSIC quarterly updates, as more fully described below, the Commission directs PAWC to file a DSIC tariff using actual data for eligible property placed into service during the three-month period ending one month prior to the approved effective date of the DSIC. Furthermore, the Commission recognizes that PAWC's DSIC rate will be set to 0% until April 1, 2015, and that the April 1, 2015 DSIC filing will only include the two-month period of January and February 2015, so as to not reflect any costs previously reflected in the Company's rates or rate base as part of its last base rate case at Docket No. R-2013-2355276. All subsequent DSIC filings will utilize the standard three-month period for eligible property to be included in the DSIC.

In the calculation of its DSIC, to be consistent with what has been allowed for the water utility DSICs as accepted by the Bureau of Audits and approved by the Commission, PAWC should use one-fourth of the annual depreciation expense amount as the basis for its initial accumulated depreciation amount. Each quarter going forward, the calculated depreciation expense for DSIC purposes should be added to the prior quarters calculated depreciation expense to determine the accumulated depreciation amount.

The cost of equity determinations in the Commission's Staff Report on Quarterly Earnings of Jurisdictional Utilities (Quarterly Report) are used for DSIC calculations if more than two years have elapsed since a utility's last fully litigated base rate case. 66 Pa. C.S. § 1357(b)(3). If, in any quarter, a utility will earn more than the ROE used for the DSIC calculations (which may be the ROE determined in the Staff Quarterly Report), the DSIC will be reset to zero. 66 Pa. C.S. § 1358(b)(3). Accordingly, the DSIC must remain at zero until such time that the utility, in a subsequent quarter, earns less than the ROE used for the purpose of DSIC calculation.

Due to the fact that PAWC's last rate case at Docket No. R-2013-2355276 did not contain a fully litigated ROE, to be consistent with Section 1357(b)(3) and as would be appropriate for a January 1, 2015 tariff effective date, the Company should use the ROE calculated in the Quarterly Report for the period ending June 30, 2014 (2nd Quarter Report). Since the Quarterly Report does not determine a DSIC ROE for wastewater companies, the DSIC return for water companies will be used as the surrogate equity return rate whenever a base rate case ROE is not available. The Commission has determined that the water utility industry offers the most suitable surrogate for determining a rate of return for wastewater utilities.

The Commission directs that, along with its updated capital structure and cost rates filed one month prior to the approved effective date of the tariff, PAWC shall file a comprehensive debt schedule, outlining all outstanding debts and their associated interest rates that were used to calculate the long term debt cost rate figure.

The Model Tariff makes available to utilities two options for calculating projected quarterly revenues: 1) The summation of projected revenues for the applicable three-month period; or 2) One-fourth of projected annual revenues. PAWC is choosing to use the summation of projected revenues for the applicable three-month period, which is permitted by the Model Tariff. Therefore, PAWC's use of the summation of projected

revenues for the applicable three-month period as its projected quarterly revenues is appropriate.

The OCA expressed concern over whether the implementation of a single DSIC rate by PAWC would increase the disparity in monthly rates charged to PAWC wastewater customers in differing systems, along with how various issues would be treated if the Company files a base rate case for fewer than all of its systems. We note that the OCA made the same argument in regards to the Little Washington Wastewater Company (LWWC) LTIIP/DSIC filing at Docket No. P-2013-2366873, on which the Commission stated the following in its Opinion and Order entered September 12, 2013:

> The Commission is aware of the rate disparity among the separate operating divisions of LWWC, and has made statements in the past encouraging rate consolidation. In regards to LWWC's last base rate filing for the Southeast Division, the Order Entered June 9, 2011 at Docket No. R-2010-2207853 stated, "...future steps toward rate consolidation will be addressed by the Commission as part of subsequent rate filings." Therefore, we aver that a single DSIC rate is in line with the Commission's encouragement of single-tariff pricing, and the current disparity in rates will be handled through future rate proceedings.

We shall align our stance on the implementation of a single DSIC rate by PAWC with the above averment in the LWWC Order.

The OCA also raised the issue of whether the DSIC should be applied to the Franklin and Koppel wastewater systems because PAWC's most recent rate case did not include those systems, yet PAWC still proposed to include Franklin and Koppel property as eligible property for the DSIC and its proposed tariff does not distinguish the Franklin and Koppel rate zones from the other system rate zones. We note that the

Commission, in its Final Implementation Order, added the following statement to the end of the Formula section discussing the calculation of the DSIC, "The DSIC calculation does not factor in the plant of acquired troubled companies or the revenue of customers acquired from troubled companies until such plant and customer rates have been part of a base rate case by the acquiring utility." Final Implementation Order, p. 54.

The OCA opines that PAWC's DSIC calculation should be adjusted to reflect the impact of ADIT associated with DSIC investments made by the Company; otherwise PAWC will earn a return on an investment balance that exceeds PAWC's actual investment. That is, ADIT can be viewed as a source of zero cost capital. The Commission, in its Implementation Order, has determined that the "adjustment, which was not previously used in the DSIC by the water industry, would add unnecessary complexities to the DSIC and, accordingly, will not be included in the model tariff." Final Implementation Order, p. 39.

Additionally, the OCA is reviewing the calculation of the state income tax component of the DSIC revenue requirement determination to ensure that ratepayers receive the full benefit of the tax deductions consistent with the actual taxes paid doctrine.

The Commission notes that it has previously addressed the issues regarding ADIT and the calculation of the state income tax in the Columbia Gas DSIC proceeding. *See Petition of Columbia Gas of Pennsylvania, Inc. for Approval of a Distribution System Improvement Charge*, Docket No. P-2012-2338282 (Order entered May 22, 2014) (*May 22nd Order*). We further note that the OCA has a pending appeal in Commonwealth Court against the May 22nd Order. Specifically, this appeal involves the OCA's issues related to the impact of ADIT associated with DSIC investments and the calculation of

the state income tax component of the DSIC revenue requirement.[4] Hence, we note that the OCA has preserved the issue. Accordingly, the ADIT issue is now a legal issue, pending at the Commonwealth Court in the OCA's appeal the May 22nd Order. However, since there are no additional and non-tax fact issues raised in the OCA's current protest against the PAWC DSIC filing, we will abide by previous determinations set forth in the May 22nd Order and, thus, we not refer the ADIT issue or the calculation of the state tax component of the DSIC revenue requirement to the OALJ for disposition.

However, we will refer the OCA's issue regarding the applicability of the DSIC to the Franklin and Koppel systems to the OALJ for remediation and hearing. To the extent that PAWC may be permitted to implement a DSIC pending the OALJ proceeding and chooses to do so while this matter is pending in the OALJ, the DSIC recovery shall be subject to recoupment and refund after final resolution.

(d) Quarterly Updates

PAWC's Petition

A utility's DSIC is subject to quarterly updates to reflect eligible plant additions placed in service during the three-month period ending one month prior to the effective date of any DSIC update. Supplement No. 4 includes a chart of the effective dates of PAWC's proposed DSIC updates, and the corresponding period for eligible plant additions that will be reflected in each update. The Company states that once its DSIC is implemented, customers will receive notice of quarterly changes in the DSIC through bill messages, consistent with Act 11 and the Final Implementation Order.

[4] The Office of Consumer Advocate also has a pending appeal in Commonwealth Court against Little Washington Wastewater Company's (LWWC) DSIC mechanism based on the Commission's resolution of LWWC's ADIT and calculation of the state income tax. *See Petition of Little Washington Wastewater Company for Approval of a Distribution System Improvement Charge*, Docket No. P-2013-2366873 (Order entered July 24, 2014). The Commission approved LWWC's ADIT and state income tax calculation based upon its prior determination in the Columbia Gas DSIC proceeding. *See* McCloskey v. Pa. PUC, 358 C.D. 2014.

Comments

No comments were received regarding quarterly updates for PAWC's DSIC petition.

Resolution

In accordance with 66 Pa. C.S. § 1358(e)(2), the revenue received under the DSIC for the reconciliation period shall be compared to the utility's eligible costs for that period. The difference between revenue and costs shall be recouped or refunded, as appropriate, in accordance with section 1307(e), over a one-year period or quarterly period commencing April 1 of each year. Based on the statute mandating over/under collections be refunded commencing April 1 of each year, the Commission directs any utility filing for a DSIC to schedule the effective dates of their proposed DSIC updates, and the corresponding period for eligible plant additions that will be reflected in each update, to align quarterly with the months of April, July, October, and January. PAWC has suggested such a schedule in the filing of their Supplement No. 4, and hence, the Commission deems PAWC's tariff to be compliant with Section 1353 as it pertains to the issue of quarterly updates.

(e) Consumer Protections

PAWC's Petition

In accordance with the Model Tariff and consistent with Section 1358, PAWC's Supplement No. 4 also includes the following customer safeguards:

1. A 5.0% cap on the total amount of distribution revenue that can be collected through the DSIC by PAWC as determined on an annualized basis;
2. Annual reconciliations performed by PAWC;
3. Audits conducted by the Commission;
4. Customer notice of any changes in the DSIC;
5. A reset of the DSIC to zero as of the effective date of new base rates that include the DSIC-eligible plant; and
6. Provisions for the charge to be set at zero if, in any quarter, PAWC's most recent earnings report shows that PAWC is earning a rate of return that exceeds the allowable rate of return used to calculate its fixed costs under the DSIC.

As a customer safeguard, the Model Tariff states that the DSIC shall be applied equally to all customer classes.

Comments

No comments were received regarding consumer protections for PAWC's DSIC petition.

Resolution

PAWC's proposed Supplement No. 4 is consistent with the Model Tariff and complies with the customer safeguards required by 66 Pa. C.S. § 1358.

(2) Public Interest Considerations

PAWC's Petition

According to the Company, implementing the proposed DSIC and allowing the Supplement No. 4 to go into effect is in the public interest because the DSIC will ensure that customers continue to receive safe and reliable service in the future as required by Section 1501, 66 Pa. C.S. § 1501.

PAWC admits that many of its systems are comprised of aging infrastructures that have led to significant I & I problems. Deteriorating infrastructure in the form of cracks in sewer pipes, faulty lateral connections, deteriorated pipe joints, and cracks in manhole walls can lead to increased levels of I & I, which in turn can pose public health risks in the form of sanitary sewer overflows and sewer backups. Therefore, the focus of PAWC's LTIIP is on the replacement of aging infrastructure and the reduction of I & I. To accomplish this, over the five year duration of the LTIIP from 2015-2019, PAWC plans to accelerate its replacement of property by replacing approximately 94,000 LF of pipeline, 1,200 laterals, 400 manholes, and one lift station.

From 2009 to 2013, PAWC claims it spent an average of $3.79 million annually (about $239 annually per wastewater customer) on wastewater DSIC-eligible infrastructure improvements. During the duration of the LTIIP, from 2015 to 2019, the Company claims it will increase spending to roughly $5.14 million annually (about $305 annually per wastewater customer) on wastewater DSIC-eligible improvements, an increase of 35.6% in total spending and 27.6% in per customer spending when compared to 2009-2013 levels. PAWC asserts that the DSIC is a crucial mechanism in allowing for this continued acceleration of infrastructure improvement, rehabilitation, and replacements.

PAWC declares that the implementation of a DSIC rate is vital in supporting its efforts to improve its aging wastewater infrastructure and enhancing the safety of its system by ensuring replacement of deteriorating facilities. PAWC says the DSIC will ensure the resources the Company needs to carry out its LTIIP strategies, and that because of its application, its customers, the public, and the environment will be better served.

Comments

No comments were received regarding the supporting evidence that PAWC's DSIC is in the public interest.

Resolution

Section 1353 requires testimony, affidavits, exhibits, and other supporting evidence to be submitted demonstrating that the DSIC is in the public interest. Based on PAWC's submitted direct testimonies by the Company's Manager of Rates & Regulation and Vice President of Engineering, as well as exhibits demonstrating how the proposed DSIC supports accelerated infrastructure improvement, the Commission concludes that the DSIC filing is in the public interest and that the Company has met its obligation under Section 1353.

(3) Long Term Infrastructure Improvement Plan

Section 1353 requires that the utility have an approved Long Term Infrastructure Improvement Plan (LTIIP). PAWC filed a LTIIP with the Commission on July 3, 2014, which is recommended for approval concurrently with the DSIC.

(4) Base Rate Case

Section 1353(b)(4) requires a utility to certify that it has filed a base rate case within the five years prior to the date of its DSIC petition. PAWC has provided the required certification that its last base rate case, under which PAWC's current base rates were established, was filed on April 30, 2013.[5]

(5) Other Information Required by the Commission

Section 1354 - Customer Notice

Pursuant to Section 1354, a utility is required to provide customer notice of: 1) Submission of the DSIC petition; 2) Commission's disposition of the DSIC petition; 3) Any quarterly changes to the DSIC rate; and 4) Any other information required by the Commission. PAWC has verified that it will provide customer notice of the proposed DSIC, Commission action thereon, and quarterly updates through bill inserts, consistent with Act 11 and the Final Implementation Order. These bill inserts will conform to the bill messages that PAWC provides to its water customers for quarterly changes in its water DSIC. The Commission agrees that this is consistent with the notice requirements set forth in the Model Tariff, Act 11, and the Final Implementation Order.

Bills Rendered or Service Rendered

The Final Implementation Order directed utilities to bill customers for the DSIC on a bills rendered basis versus a service rendered basis[6], based on current practice and procedure for water companies. (*See* 66 Pa. C. S. § 1358). PAWC's Supplement No.

[5]Docket No. R-2013-2355276, Final Order entered on December 19, 2013.
[6] "Bills rendered" bills are computed based on the effective tariff rate at the time of the bill. "Service-rendered" bills are prorated based on service rendered before and after a tariff rate change.

4 did not specify whether billing for the DSIC would be on a bills rendered or a service rendered basis. Therefore, in accordance with the Final Implementation Order, we direct PAWC to modify the language in the Supplement No. 4 to specify that customers would be billed for the DSIC on a bills rendered basis.

Section 1355 – Commission Review

Section 1355 provides that the Commission shall, after notice and opportunity to be heard, approve, modify or reject a utility's proposed DSIC and initial tariff. The Bureau of Technical Utility Services has reviewed PAWC's proposed DSIC and Supplement No. 4 and has determined that the filing contains all necessary items identified in Section 1353.

DSIC SUMMARY

We will approve the proposed DSIC calculation and Supplement No. 4 subject to the modifications consistent with this Order, including the following:

1. A tariff filed on ten days' notice with an effective date no earlier than January 1, 2015;
2. A three-month period of September through November for eligible plant additions;
3. An initial quarterly depreciation expense being equal to the initial accumulated depreciation; and,
4. An appropriate return on equity as outlined in the Commission's Quarterly Report for the period ending June 30, 2014 (2nd Quarter Report).

Section 1355 also states that the Commission shall hold evidentiary and public input hearings as necessary to review the petition. As noted above, the OCA and the OSBA have petitioned to intervene in PAWC's DSIC proceeding, and there were requests to hold evidentiary hearings on several aspects of the DSIC.

Accordingly, we will refer the matter regarding the applicability of the DSIC to the Franklin and Koppel systems to the OALJ for evidentiary hearings and preparation of a recommended decision. To the extent that PAWC elects to implement a DSIC mechanism prior to resolution of these matters, any recovery will be subject to refund or recoupment consistent with final determinations on these matters referred to the OALJ.

We note the filing of the OSBA, and conclude that they have not articulated a basis for denying PAWC the opportunity to implement a DSIC mechanism, consistent with our discussion above.

CONCLUSION

Upon review, the Commission finds that the PAWC Long-Term Infrastructure Improvement Plan and manner in which it was filed conforms to the requirements of Act 11 and our Final Implementation Order.

Additionally, the Commission finds that the Petition of PAWC for a Distribution System Improvement Charge complies with the requirements of Act 11 and our Final Implementation Order. Moreover, the Commission has reviewed the filing and does not find it to be inconsistent with the applicable law or Commission policy. Subject to recoupment and/or refund pending final resolution of the matters referred herein to the OALJ, PAWC may elect to implement a DSIC mechanism consistent with this order on ten days' notice; **THEREFORE,**

IT IS ORDERED:

1. That the Petition for approval of a Long-Term Infrastructure Improvement Plan (LTIIP) filed by Pennsylvania-American Water Company Wastewater Operations is approved, consistent with this Order.

2. That the Petition for approval of a Distribution System Improvement Charge (DSIC) filed by Pennsylvania-American Water Company Wastewater Operations is approved, consistent with this Order.

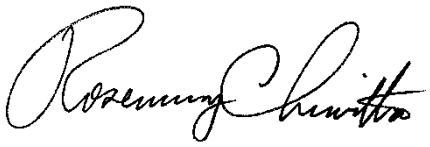
3. That Pennsylvania-American Water Company Wastewater Operations shall file a tariff, consistent with this Order, on ten days' notice to be effective January 1, 2015, with a DSIC rate of 0%.

4. That Pennsylvania-American Water Company Wastewater Operations shall file a tariff, consistent with this Order, on ten days' notice for its first non-zero DSIC rate to be effective April 1, 2015, to recover the fixed costs of eligible plant additions that have not been previously reflected in the Company's rates or rate base and will have been placed in service during the two month period of January 1, 2015 through February 28, 2015. Revenues collected pursuant to said tariff will be subject to refund and recoupment based on the Commission's final resolution of the matters referred herein to the Office of Administrative Law Judge for hearing and recommended decision.

5. That the following issue be assigned to the Office of Administrative Law Judge for hearing and preparation of a recommended decision:

   a. The applicability of the DSIC to the PAWC wastewater systems of Franklin and Koppel.

6. That Pennsylvania-American Water Company Wastewater Operations provides the estimated number of anticipated new jobs to be created for specific replacement projects with its revised DSIC tariff and to track such employment in order to have actual numbers of jobs created when the DSIC fund information is submitted for annual audit and reconciliation.



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: December 4, 2014

ORDER ENTERED: December 4, 2014

Appendix A

Tariff Sufficiency Modifications

- On page 5H, under "2. Computation of the DSIC", within the Calculation section, please restate the first sentence to read, "The initial *non-zero* DSIC, effective April 1, 2015".

- On page 5I, under "Pre-tax return", in the first sentence, change "will be calculated" to "*shall* be calculated".

- On page 5I, under "Pre-tax return", within the last sentence, the phrase "calculated by the Commission in the latest Quarterly Report" should be changed to "calculated by the Commission in the *most recent* Quarterly Report".

- On page 5I, under "Application of DSIC", within the last sentence, the phrase "projected wastewater revenue for the quarterly period" should be changed to "projected wastewater revenue *(including all applicable clauses and riders)* for the quarterly period".

- On page 5J, under "Formula", within the PQR section, the phrase "projected quarterly revenues for wastewater service from existing customers" should be changed to "projected quarterly revenues for wastewater service *(including all applicable clauses and riders)* from existing customers".

- On page 5J, under "Quarterly Updates", add the Commission's Bureau of Audits as a party to receive supporting data for each quarterly update.

- On page 5J, under "3. Customer Safeguards", within the Cap section, the sentence should be changed to read "The DSIC is capped at 5% of the amount billed to customers *for distribution service (including all applicable clauses and riders) as determined on an annualized basis*."

- At the bottom of page 5J, "Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 15" should be moved to the top of page 5K.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 1, 2016

IN RE:	)	
	)	
PETITION OF TENNESSEE-AMERICAN WATER COMPANY REGARDING THE 2015 INVESTMENT AND RELATED EXPENSES UNDER THE QUALIFIED INFRASTRUCTURE INVESTMENT PROGRAM RIDER, THE ECONOMIC DEVELOPMENT INVESTMENT RIDER, AND THE SAFETY AND ENVIRONMENTAL COMPLIANCE RIDER	)	**DOCKET NO. 14-00121**

ORDER GRANTING, IN PART, AND DENYING, IN PART, *PETITION*

This matter came before Vice Chairman David Jones, Director Kenneth C. Hill, and Director Robin Bennett of the Tennessee Regulatory Authority ("Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 29, 2015 for consideration of the *Petition* filed by Tennessee-American Water Company ("Company" or "TAWC") on October 29, 2014.

BACKGROUND

On October 29, 2014, pursuant to the TRA's decision in Docket No. 13-00130, TAWC filed its initial request and supporting documentation for Authority approval to increase during the 2015 calendar year the tariff percentage rates for its Qualified Infrastructure Investment Program Rider ("QIIP" or "QIIP Rider"), Economic Development Investment Program Rider ("EDI" or "EDI Rider"), and Safety and Environmental Compliance Program Rider ("Safety Rider" or "SEC") (collectively "Capital Riders").[1] Since filing its *Petition*, TAWC has filed

[1] *Petition* (October 29, 2015).

revised proposed tariff pages,[2] supplemental pre-filed testimony and exhibits, responses to the informal data requests of the Consumer Advocate and Protection Division of the Office of the Attorney General ("CAPD" or "Consumer Advocate"), and responses to the Authority's request for certain information it determined necessary to review and consider TAWC's revised proposed tariffs in this docket.

On November 26, 2014, the Consumer Advocate filed its *Petition to Intervene.* On January 12, 2015, the panel of Directors assigned to this docket suspended the proposed tariffs for thirty (30) days,[3] convened a contested case proceeding, granted the Consumer Advocate's *Petition to Intervene*, and appointed the Authority's General Counsel or her designee to act as Hearing Officer in this matter. On February 11, 2015, the Hearing Officer suspended the revised proposed tariffs an additional sixty (60) days through and including April 14, 2015.[4] On February 19, 2015, the Hearing Officer granted the *Petition to Intervene* filed by the City of Chattanooga on February 11, 2015.

PETITION

In accordance with the tariffs approved in TRA Docket No. 13-00130, on or before December 1 of each year, the Company shall submit to the Authority an annual filing that calculates the tariff Rider percentage rates for the upcoming calendar year.[5] As part of the annual rate filing, the Company is required to submit certain supporting information and documentation, including a budget of each Rider's forecasted investments and operating expenses adopted by the Company's board of directors.[6]

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[2] *See* Revised Proposed Summary of Riders tariff pages filed on November 25, 2014 and December 4, 2015.
[3] The proposed tariffs had an initial effective date of January 13, 2015.
[4] *Order Re-Suspending Tariffs through April 14, 2015* (February 11, 2015).
[5] *See Petition*, pp. 5-6 (October 29, 2015).
[6] *Id.*

The QIIP Rider allows TAWC to recover costs associated with replacing aging, non-revenue producing infrastructure between rate cases.[7] In this docket, the Company seeks authorization to collect $1,001,897 in QIIP revenue for 2015.[8] The authorized QIIP revenue for 2014 was $373,273.[9] The Company therefore proposes to increase the QIIP revenue requirement by $628,624, which would result in increasing the QIIP surcharge applied to customers' bills from 0.79% in 2014 to 2.13% in 2015.[10]

The EDI Rider authorizes TAWC to recover investments made in infrastructure to assist in the economic development of the communities served by the Company. In this docket, the Company seeks authorization to collect $288,955 in EDI revenue for 2015.[11] The authorized EDI revenue for 2014 was $84,623.[12] The Company therefore proposes to increase the EDI revenue requirement by $204,332, which would result in increasing the EDI surcharge applied to customers' bills from 0.18% in 2014 to 0.61% in 2015.[13]

The SEC Rider allows recovery of investments made by the Company to comply with safety and environmental regulations since the previous rate case.[14] In this docket, the Company seeks authorization to collect $1,664,812 in SEC revenue for 2015.[15] The authorized SEC revenue for 2014 was $53,015.[16] The Company therefore proposes to increase the SEC revenue requirement by $1,611,797, which would result in increasing the SEC surcharge applied to customers' bills from 0.11% in 2014 to 3.54% in 2015.[17]

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[7] Linda C. Bridwell, Pre-filed Direct Testimony, p. 5 (October 29, 2014).
[8] Petitioner's Exhibit - Summary – LCB, Page 1 of 1 (October 29, 2014).
[9] *Id.*
[10] *Id.*
[11] Linda C. Bridwell, Pre-filed Direct Testimony, p. 6 (October 29, 2014).
[12] Petitioner's Exhibit - Summary – LCB, Page 1 of 1 (October 29, 2014).
[13] *Id.*
[14] Linda C. Bridwell, Pre-filed Direct Testimony, pp. 5-6 (October 29, 2014).
[15] Supplemental Petitioner's Exhibit Summary – LCB, Page 1 of 1 (December 29, 2014).
[16] *Id.*
[17] *Id.*

When aggregated together, TAWC requests to increase annual revenues by $2,444,753 for all three investment Riders. If the Authority approves the requested Rider rates in this docket, the average customer bill would increase by about 5.2% for calendar year 2015.

Under the approved tariffs, an "annual reconciliation factor percentage rate" will be filed by March 1 of each year for each of the three investment Riders to adjust customers' bills over the remainder of the year for differences between the prior year's budgeted investments and actual investments and between the prior year's revenue requirement and actual collections.[18] In addition to the proposed percentage rate increases, the Company's *Petition* also requests approval to incorporate all of the investment activity related to the 2014 calendar year into the initial annual reconciliation filing due on or before March 1, 2015 for each of the three investment Riders.[19] The Company states that since the proposed Riders approved in April 2014 in TRA Docket No. 13-00130 were anticipated to be in effect in January 2014 rather than April 2014, there is an unintended mismatch of the reconciliation periods for the initial year's investment activity under the Riders.[20]

APRIL 20, 2015 HEARING AND APPEARANCES

A Hearing in this matter was held before the voting panel on April 20, 2015, as noticed by the Authority on April 10, 2015. Pursuant to the Procedural Schedule issued by the Hearing Officer on March 23, 2015, TAWC filed Supplemental Testimony on December 29, 2014, the intervening parties filed Direct Testimony on January 2, 2015 and April 6, 2015, and TAWC filed Rebuttal Testimony on April 10, 2015. The parties also filed pre-hearing briefs on April 15, 2015. Participating in the hearing were the following parties and their respective counsel:

[18] *See Petition*, pp. 5-6 (October 29, 2015).
[19] *Id.* at 6-7.
[20] *Id.*

TAWC - Melvin J. Malone, Esq., Butler, Snow, O'Mara, Stevens & Cannada, PLLC, 1200 One Nashville Place, 150 Fourth Avenue North, Nashville, Tennessee 37219.

Consumer Advocate – Wayne Irvin, Esq., Office of the Attorney General, 425 Fifth Avenue North, Fourth Floor, John Sevier Building, P.O. Box 20207, Nashville, TN 37202.

City of Chattanooga – Frederick L. Hitchcock, Esq., Chambliss, Bahner & Stophel, P.C., Suite 1700, Liberty Tower, 605 Chestnut Street, Chattanooga, TN 37450.

POSITIONS OF THE PARTIES

QIIP

TAWC

TAWC witness Brent E. O'Neill testified regarding seven investment budget items included in the QIIP: (1) Main replacement necessary to address the aging infrastructure needs; (2) Unscheduled Main replacement that will stabilize and extend the life of the main; (3) Relocation of Mains due to ongoing municipal or state agency projects; (4) Hydrants and Valve Replacement with the majority of this amount being spent on 14 broken valves identified over the past several years; (5) Service Replacement involving the replacement of water services or improvements, including replacement of corporation stops, or shut-off valves; (6) Meter Replacement relating to meter replacement or improvement of existing customer meters. Meter settings are necessary to comply with regulatory replacement and due meter malfunctions; and (7) Capitalized Tank Rehabilitation and Painting to rehabilitate and paint one of the tanks at the St. Elmo location.[21]

TAWC witness Linda Bridwell rebuts the assertions of the City's witness, Nick Wilkinson, that TAWC failed to file the annual and quarterly reports as stated in an Agreement between TAWC and the City.[22] Ms. Bridwell notes the annual 2014 Investment Plan was part of

[21] Brent E. O'Neill, P.E., Pre-filed Direct Testimony, pp. 5-10 (October 29, 2015).
[22] Linda C. Bridwell, Pre-filed Rebuttal Testimony, p. 1 (April 10, 2015).

the original filing in Docket No. 13-00130 and the City had access to that file.[23] In addition, Ms. Bridwell testifies that TAWC discussed the 2015 Investment Plan with the City and the first quarterly meeting has taken place.[24] Ms. Bridwell concludes that this has been the first year with implementation of the Riders and, as such, communication may not have been as effective as either party would have liked, but Ms. Bridwell testifies that TAWC will continue to strive to improve communication.[25] According to Ms. Bridwell, while this process should improve in the future, any problems encountered "... in no way diminishes the public interest of the capital riders as alternative rate mechanism [*sic*] that provide customers with better water quality, better water service, enhancements for economic development, improvements for safety and environmental compliance and replacement of critical infrastructure with gradual rate increases and reduced costs for rate proceedings for all stakeholders."[26]

CAPD

The Consumer Advocate did not oppose the QIIP Rider.[27]

THE CITY

The City's witness, Nick Wilkinson, testifies that in return for not seeking intervention in TRA Docket No. 13-00130, TAWC and the City came to an agreement on how TAWC would ensure that any rate increase resulting from the Riders would be in the public interest.[28] Mr. Wilkinson testifies that the Agreement provided that TAWC would provide the City with an annual report outlining its infrastructure plan and quarterly reports detailing the implementation of this plan under the QIIP Rider.[29] According to Mr. Wilkinson, these reports would allow the

[23] *Id.*
[24] *Id.* at 1-2.
[25] Linda C. Bridwell, Pre-filed Rebuttal Testimony, p. 18 (April 13, 2015).
[26] *Id.* at 17.
[27] Transcript of Proceedings, p. 7 (April 20, 2015).
[28] Nick Wikinson, Pre-filed Direct Testimony, p. 4 (April 6, 2015).
[29] *Id.* at 6.

City to 1) determine if TAWC was spending the rate dollars it was allowed or was seeking a double recovery; 2) determine if the expenditures were for the benefit of existing customers; and 3) respond to TAWC regarding its investment priorities.[30] Mr. Wilkinson testifies that these reports and required information are necessary in order for the City to determine if TAWC's infrastructure investments would benefit citizens of Chattanooga.[31] Mr. Wilkinson testifies that TAWC did not provide the annual or quarterly reports as required by the Agreement.[32]

EDI

TAWC

TAWC witness Brent E. O'Neill discusses the five investment budget items included in EDI: (1) New Mains which includes new water mains, valves and other appurtenances necessary to perform work funded by TAWC, including upsizing of developer initiated extensions;[33] (2) New Hydrants and Valves that will improve the economic health of the communities it serves and the investment will serve the growing economic development;[34] (3) New Services which includes the installation of new water services or improvements, including corporation stops and shut-off valves;[35] (4) New Meters;[36] and (5) Vehicles Converted to or Purchased with Alternative Fuel Capabilities as part of the overall plan to invest $400,000 in replacement vehicles for the TAWC fleet.[37] Mr. O'Neill testifies this investment is properly associated with the EDI because it will assist TAWC in reducing its carbon footprint.[38]

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[30] *Id.* at 6-7.
[31] *Id.* at 8.
[32] *Id.*
[33] Brent E. O'Neill, P.E., Pre-Filed Direct Testimony, p. 11 (October 29, 2014).
[34] *Id.* at 12.
[35] *Id.* at 12-13.
[36] *Id.* at 13.
[37] *Id.* at 13-14.
[38] *Id.*

Ms. Bridwell testifies that the installation of new meters, valves and hydrant benefit economic development.[39] This type of investment is necessary because of requests of new or expanding companies, new residential developments and/ or relocation of the customer.[40] It also fosters economic development by providing reliable drinking water and new or more reliable fire protection.[41] Ms. Bridwell also testifies that TAWC should not be required to certify to the quantity or specific economic benefit because to do so is a speculative process that would result in significant additional expense for all parties.[42] Ms. Bridwell explains that additional expenses were included in the 2015 proposed EDI Rider that were not included in the 2014 EDI Rider.[43] These expenses include $40,000 to support the Greater Chattanooga Chamber of Commerce to promote economic development and a $5,000 expense for money given to the Southeast Tennessee STEM Innovation Hub, which works to expand science, technology, engineering and math resources.[44]

CAPD

CAPD witness, William H. "Hal" Novak, recommends disallowance of the Chamber of Commerce fees and the contribution to Southeast Tennessee Innovation Hub because these items appear to be charitable contributions rather than expenses related to capital deployment.[45] Furthermore, Mr. Novak points out that it would have been unlikely that these expenses would have been approved for recovery in TAWC's last rate case if they had been presented.[46]

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[39] Linda C. Bridwell, Pre-filed Rebuttal Testimony, p. 6 (April 10, 2015).
[40] *Id.*
[41] *Id.*
[42] *Id.* at 6-7.
[43] Linda C. Bridwell, Pre-filed Direct Testimony, pp. 14-15 (October 29, 2015).
[44] *Id.*
[45] William H. Novak, Pre-filed Direct Testimony, p. 6 (January 2, 2015).
[46] *Id.*

THE CITY

Nick Wilkinson, the City's witness, testifies that the Agreement between the City and TAWC required TAWC to provide advance notice to the City of all proposed expenditures related to economic development pursuant to the EDI.[47] According to Mr. Wilkinson, TAWC only provided one report which was related to the Coca-Cola bottling distribution facility, and he agrees that TAWC's investment assisted in having the facility locate in Chattanooga.[48] Mr. Wilkinson testifies that he does, however, oppose recovery of expenditures for meters, services, valves, or hydrants through the EDI.[49]

SEC

TAWC

TAWC witness Brent O'Neill testifies the SEC Rider includes: 1) Improvements to the System Control and Data Acquisition ("SCADA") Equipment and Systems totaling $185,000;[50] 2) Security upgrades to existing security systems amounting to $190,000;[51] 3) Improvements in Process Plant and Equipment totaling $2,631,203;[52] and 4) The Citico Process Wastewater Improvement Project being completed and placed in service during 2015.[53]

According to Mr. O'Neill, the majority of the SCADA improvements will take place in the upgrade of the Programmable Logic controller for the Citico chemical building.[54] Security upgrades are necessary in order to ensure TAWC's security systems are in compliance with Homeland Security directives.[55] The majority of Process Plant Facilities and Equipment

[47] Nick Wilkinson, Pre-filed Direct Testimony, p. 9 (April 6, 2015).
[48] *Id.* at 9-10.
[49] *Id.* at 10.
[50] Brent E. O'Neill, P.E., Pre-Filed Direct Testimony, p. 15 (October 29, 2014).
[51] *Id.* at 16.
[52] *Id.* at 16-17.
[53] *Id.* at 17-21.
[54] *Id.* at 15.
[55] *Id.* at 16.

Improvement is for the replacement of six conventional filter under-drain systems to ensure environmental compliance is maintained. Mr. O'Neill testifies that the Citico Project will allow TAWC to discontinue sending sludge to the City and allow it to treat and prepare the sludge for disposal within the Citico property.[56] TAWC maintains the new plant is necessary to address the change in permit requirements from the City of Chattanooga regarding the allowable level of zinc to be discharged to Chattanooga's wastewater collection system.[57] Mr. O'Neill explains that the capital investment project is necessary pursuant to the City of Chattanooga's new permit. TAWC has historically discharged its sludge to the City of Chattanooga under an "Exception to Wastewater Strength Standard" for arsenic, copper, lead and zinc; the City of Chattanooga, however, issued a new permit on May 15, 2013 which discontinues the exception.[58] Mr. O'Neill testifies that the exception is being discontinued in order to allow the City of Chattanooga to comply with the EPA Consent Decree and to ensure protection of the Publicly Owned Treatment Works ("POTW").[59] It also ensures the City's continued compliance with EPA 40 CFR Part 503 – Standards for the Use or Disposal of Sewage Sludge regarding biosolids currently being land applied and processed wastewater discharged from Tennessee American Water consistently meets pretreatment standards.[60] With this project, TAWC will discontinue sending its sludge to the city and instead prepare the sludge for disposal within the Citico facility.[61]

CAPD

The Consumer Advocate did not oppose the SEC as supplemented and amended by Ms. Bridwell's testimony.[62]

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[56] *Id.*
[57] *Id.* at 17-18.
[58] *Id.* at 18-19.
[59] *Id.* at 19-20.
[60] *Id.* at 19.
[61] *Id.*
[62] Transcript of Proceedings, p. 7 (April 20, 2015).

THE CITY

Donald Lee Norris testified on behalf of the City regarding the SEC. Specifically, TAWC's Process Wastewater Improvement Project which he testifies is not mandated by state or federal law.[63] Mr. Norris explains that TAWC has chosen a new method for removing waste materials from its wastewater discharge which recovery from the SEC may allow.[64] According to Mr. Norris, the City is not opposed to this method if it is more cost effective; however, TAWC has not provided sufficient information for the City or the Authority to make such a determination.[65]

FINDINGS & CONCLUSIONS

Tenn. Code Ann. § 65-5-103(d)(3)(A) provides:

> A public utility may request and the authority may authorize a mechanism to recover the operational expenses, capital costs or both related to the expansion of infrastructure for the purpose of economic development, if such expenses or costs are found by the authority to be in the public interest. Expansion of economic development infrastructure may include, but is not limited to, the following:
>
> (i) Infrastructure and equipment associated with alternative motor vehicle transportation fuel;
> (ii) Infrastructure and equipment associated with combined heat and power installations in industrial or commercial sites; and
> (iii) Infrastructure that will provide opportunities for economic development benefits in the area to be directly served by the infrastructure.

In authorizing the Authority to implement alternative regulatory methods under Tenn. Code Ann. § 65-5-103(d), the General Assembly did not alter or limit the Authority's general supervisory, regulatory and rate-setting powers over public utilities within its jurisdiction.[66] Pursuant to its authority to implement alternative regulatory methods, as well as its general utility rate-setting powers, the Authority has the authority and discretion to determine whether

[63] Donald Lee Norris, Pre-Filed Direct Testimony, p. 6 (April 7, 2015).
[64] "....TAWC will dewater all or a significant portion of waste sludge materials to produce a solid waste that will be disposed in a landfill." Donald Lee Norris, Pre-filed Direct Testimony, p. 4 (April 7, 2015).
[65] Donald Lee Norris, Pre-Filed Direct Testimony, pp. 4-5 (April 7, 2015).
[66] *See* Tenn. Code Ann. §§ 65-4-104, 65-4-117(a)(3) and 65-5-101(a).

alternative rate mechanisms produce rates and charges for public utilities services that are just and reasonable and in the public interest. The Authority's power and discretion in this regard applies not only to the initial rate adjustment, but also to all subsequent rate adjustments made under an approved alternative rate mechanism. In carrying out its responsibilities, the Authority may consider whether an alternative regulatory method: (1) is consistent with applicable TRA orders, rules, and established ratemaking policies and principles; (2) ensures that costs and expenses recoverable under the alternative rate mechanism are reasonably and prudently incurred by the utility for the provision of authorized public utilities services; (3) provides for timely, meaningful and transparent review and approval of all rate adjustments made pursuant to the alternative rate mechanism; (4) continues to be in compliance with TRA orders and tariffs establishing the alternative rate mechanism; and (5) remains in the public interest in light of changed circumstances or conditions.

Upon review of the entire evidentiary record in this matter, the following findings and conclusions address the three investment riders separately, the reconciliation issue presented by TAWC, and the City's request for minimum filing requirements and certifications:

For the QIIP, the panel voted unanimously to approve the proposed capital expenditures as filed by the Company, without adjustment for any purported double-recovery of costs related to capital projects identified in a prior docket. This results in a total charge under this program of 2.13% of customers' bills, which is an increase from last year's rider amount of 0.79%.

For the SEC, the panel agreed with the Consumer Advocate and the Company and found that reasonable incremental expenses attributable to increases in chemicals, electricity and hauling are appropriately recoverable through the Production Cost and Other Pass-Throughs ("PCOP") mechanism. Based on this finding, the panel voted unanimously to approve the

Company's proposed revision to remove these expenses from the SEC rider and place them in the PCOP Rider.

Next, the panel found that TAWC is reducing zinc levels to comply with the Company's discharge permit issued by the City, and this discharge permit is necessary for the City to comply with state and federal requirements. Therefore, the investment and related expenses are properly recoverable pursuant to the SEC. Based on the testimony of TAWC's engineer regarding the SCADA improvements, security upgrades and Process Plant and Equipment improvements, the panel found that the investment and related charges are properly recoverable under the SEC Program. Furthermore, based on the Company's expertise in the provision of water and the evidence presented, the panel agreed with the Company's assertion that the Citico Improvement Project is the most economical method for extraction of the zinc. For these reasons, the panel voted unanimously to approve the SEC, as filed by the Company. This results in a total charge under this program of 3.54% of customers' bills, an increase from last year's rider amount of 0.11%.

For the EDI Rider, the panel voted unanimously that TAWC be allowed to recover the proposed EDI infrastructure investment related to replacement of mains and associated lines, valves and hydrants.

Regarding TAWC's proposed EDI investment in infrastructure related to provisioning service to new customers, the panel voted unanimously that these expenses be disallowed for three reasons. First, the panel found that TAWC's proposed recovery of its EDI investment for new services is inconsistent with the plain language of its own EDI tariff, wherein it states "EDI allows the Company to recover outside of a rate case its qualifying incremental non-revenue

producing plant infrastructure investment and expenses."[67] Second, the panel found that TAWC's proposed EDI investment for new services is not related to expansion of economic development as required by statute and, therefore, does not meet the statutory requirements for recovery. Third, the panel found that allowing recovery of infrastructure for provisioning service to new customers under the EDI Rider could result in double recovery of investment and related expenses – expenses which are also recovered by TAWC's revenues generated under its tariff rates established in the Company's most recent rate case.

Next, due to the lack of evidence that ratepayers and/or the general public will benefit from using alternative fuel vehicles, the panel found that TAWC has not demonstrated that a decision to move its vehicle fleet to alternative fuels is in the public interest. Absent such evidence, the panel voted unanimously that the 2015 amount of $100,000 proposed by TAWC for alternative fuel vehicles be denied. The panel noted that its decision regarding the alternative fuels does not preclude the Company from transitioning its fleet to alternative fuel vehicles and receiving recovery under alternative ratemaking mechanisms. Recovery, however, would be predicated upon TAWC providing sufficient evidence that such transition benefits ratepayers via a cost/benefit analysis and/or provides other public benefits to warrant a finding that the public interest is served by allowing such recovery. The panel found that such future recovery, if the TRA determines it is prudent, is more appropriate under the QIIP rather than the EDI Rider; therefore the panel directed TAWC to remove the tariff provision relating to recovery of infrastructure designed to use alternative fuels from the EDI Tariff and place it in the tariff for the QIIP.

In addition, the panel voted unanimously to disallow the Chamber of Commerce and STEM donations totaling $45,000. The panel found that while these donations may have

[67] Revised Tariff Page, TRA No. 19, First Revised Sheet No. 12- EDI-1(August 28, 2015).

indirectly contributed to economic growth in the Company's service territory, these donations are not the type of "expansion of infrastructure" that is contemplated by the statute. Further, disallowance of these donations is consistent with the Authority's long-standing policy of disallowing charitable contributions and donations for ratemaking purposes as they do not satisfy the guiding principle of necessity and reasonableness, nor is it apparent that they provide a clear benefit to ratepayers. As a result of its decision regarding these donations, the panel voted unanimously that TAWC be required to file amended calculations and tariffs consistent with the panel's decision for the EDI Rider.

The panel found that adopting a 2014 calendar year investment period would lessen any gap between the end of the Company's most recently approved attrition period and the beginning of its alternative ratemaking mechanisms, which is consistent with the approved investment riders. Therefore, the panel voted unanimously to approve the Company's proposal to file a single reconciliation for calendar year 2014.

Finally, the panel agreed with TAWC that there are sufficient requirements and consumer safeguards in place in the existing tariffs to ensure that only reasonable, qualifying capital costs and operational expenses are recovered through the program mechanisms. Therefore, the panel voted unanimously to deny the City's request that the Authority adopt additional minimum filing requirements and certifications.

IT IS THEREFORE ORDERED THAT:

1. The *Petition* filed by Tennessee-American Water Company is granted, in part and denied, in part.
2. The proposed capital expenditures contained in the Qualified Infrastructure Investment Program Rider filed by Tennessee-American Water Company is approved.

3. Tennessee-American Water Company move the reasonable incremental expenses attributable to increases in chemicals, electricity, and hauling from the Safety and Environmental Compliance Program Rider to the Production Cost and Other Pass-Throughs Rider.

4. The Safety and Environmental Compliance Program Rider as proposed by Tennessee-American Water Company is approved.

5. The portion of Tennessee-American Water Company's Economic Development Investment Rider related to replacement of mains and associated lines, valves, and hydrants is approved.

6. The portion of Tennessee-American Water Company's Economic Development Investment Rider related to investment in infrastructure for provisioning service to new customers is denied.

7. The $100,000 proposed by Tennessee-American Water Company for alternative fuel vehicles is denied.

8. If Tennessee-American Water Company seeks recovery for alternative fuel vehicles in the future, the Company is directed to remove such expense from the Economic Development Investment Rider tariff and put it in the Qualified Infrastructure Investment Program Rider Tariff.

9. Tennessee-American Water Company's request for recovery of donations to the Greater Chattanooga Chamber of Commerce and the Southeast Tennessee STEM Innovation Hub is denied.

10. Tennessee-American Water Company shall file amended calculations and tariffs consistent with the Authority's ruling regarding the Economic Development Investment Rider.

11. Tennessee-American Water Company's proposal to file a single reconciliation for calendar year 2014 is approved.

12. The City of Chattanooga's request that the Authority adopt additional minimum filing requirements and certifications for Tennessee-American Water Company is denied.

Vice Chairman David F. Jones, Director Kenneth C. Hill, and Director Robin Bennett concur.

Attest:

Earl Taylor

Earl R. Taylor, Executive Director

Data Base -- Distribution System Infrastructure Charge ("DSIC") or its equivilent

Date 03/18/2016

			DSIC Formula Rev. Req. Components								Other Relevant Info.								
State	Name	Plant Type	Eligible UPIS (*)	AD	ADIT	PreTax ROR	Deprec. Exp.	Property Taxes	Revenue based taxes	Uncoll.	DSIC Filing Frequency	Actual or Prospective UPIS	DSIC Revenue Cap	Earnings Test Applied	Reconcilation Filing (Y/N) & Filing Freq.	Rate Recovery % / VC / FC	Cust.classes Excluded fr. Rate Recov.	Other	Mains Replaced
NJ	DSIC	w	Y **(1)**	Y **(2)**	Y **(2)**	Y **(3)**	Y **(4)**	N	Y **(5)**	Y	Semi Ann.	Actual	5.0%	Y	Y - Semi-Ann.	Fixed Chg	Priv.&Pub Fire	**(5a)**	Y
Ind	DSIC	w	Y	**(2b)**	**N**	Y **(3a)**	Y **(4)**	N	n/a	N	Annual	Actual	5.0%	N	Y - Semi-Ann.	%	Priv.&Pub Fire	-	Y
Ill	QIP	w&ww	Y	Y **(2)**	N	Y **(3)**	Y **(4)**	N	n/a	N	Annual	A or P **(6)**	5.0%	Y	Y - Annual	%	Priv.&Pub Fire	-	Y
Mo.	ISRS	w	Y	Y **(2a)**	Y **(2)**	Y **(3a)**	Y **(4)**	Y	n/a	N	Semi Ann. **(7)**	Actual	10.0%	N **(7a)**	Y - Annual	Volm. Chg	Priv.&Pub Fire	**(7b)**	Y
PA	DSIC	w&ww	Y	Y **(2)**	N	Y **(3)**	Y **(4)**	N	n/a	N	Quarterly	Actual	7.5%	Y	Y - Annual	%	Pub. Fire	**(8)**	Y
NY	SIC	w	Y	Y **(2)**	Y **(2)**	Y **(3a)**	Y **(4)**	N	n/a	N	Periodic	Actual	capex$ cap	Y	Y - Annual	%	Priv.&Pub Fire	-	SIC
NY	*DSIC* ***(see note 9)***	*w*	*Y **(1)***	*Y **(2)***	*Y **(2)***	*Y **(3a)***	*Y **(4)***	*N*	*n/a*	*N*	*Semi Ann.*	*Prospective*	*capex$ cap*	*Y*	*Y - Annual*	*%*	*Priv.&Pub Fire*	**(9)**	*Y*
TN	QIIP	w	Y	Y	Y (2)	Y (3a)	Y (4)	Y	Y (5b)	*Y*	Annual	Prospective	none	*Y*	Y - Annual	*%*	None	(22)	Y
WV	**IRP (14)**																		
OH	SIC	w&ww	Y	Y **(2)**	N	Y **(3a)**	Y **(4)**	N	n/a	N	Annual	Actual	12.75%	Y	Don't see it addressed in Regs. ?	%	**?**	**(10)**	Y
DE	DSIC	w	Y	Y **(2)**	N	Y **(3a)**	Y **(4)**	N	n/a	N	Semi Ann.	Actual	7.5%	Y	Y - Annual	%	**?**	-	Y
CT	WICA	w	Y	**N (12)**	**N (12)**	Y **(3a)**	Y **(4)**	Y	n/a	N	Semi Ann.	Actual	7.5%	Y	Y - Annual	%	**?**	-	Y
NH	WICA	w	Y	**N (13)**	**N (13)**	Y **(3a)**	Y **(4)**	Y	n/a	N	Annual	Actual	7.5%	**(15)**	Y - Annual	%	**?**	-	Y
ME	?	w	Y	Y	Y	Y **(3)**	Y	Y	n/a	N	Semi Ann.	Actual	10.0% (large water util.)	?	Y - Annual	%	None	?	Y
NC	?	w&ww	Y	?	?	?	Y	N	n/a	N	?	?	5.0%	?	?	?	?	?	Y
AZ	SIB (17)	w	Y	**(18)**	N	Y **(3a)**	Y	N	?	?	Annual	Actual	5.0%	Y	Y - Annual	Fixed Chg	?	**(19)**	Y

FOR MAINE, NC and ARIZONA - NEED TO REVIEW AN ACTUAL INFRASTRUCTURE SURCHARGE RATE FILING IN ORDER TO FILL IN AND VALIDATE ALL MECHANISM COMPONENTS SINCE THE LEGISLATION OR ORDER DOES NOT PROVIDE THAT LEVEL OF DETAIL

OTHER MECHANISMS

RI **(20)**

NV **(21)**

Notes

* Eligible UPIS = DSIC Additions less retirements associated with the DSIC Additions. **IF Retirements are not reflected in calculation as a reduction against Eligible UPIS additions please provide a note to that effect.**

** Main extensions to eliminate dead ends which negatively impact water quality and reliability and not to serve new customers.

1 UPIS eligible for DSIC recovery begins on after the "Base Spending" level is exceeded during each 12 month period. Base Spending is equal to the amount of Annual Book Depreciation Expense on the 343, 345, & 348 accounts as reported in the Annual BPU Commission Report at t

2 Amounts are based on the applicable (on an accumulating basis) Eligible DSIC UPIS amount Only. The calc. does not include a roll forward of the AD or ADIT related to UPIS previously included in Rate Base and Base Rates.

2a Amounts based on the applicable (on an accumulating basis) Eligible DSIC UPIS amount Only. The calc. does not include a roll forward of the AD or ADIT related to UPIS previously included in Rate Base and Base Rates. Also, the AD calc. does not incld. cost of removal net of salvag

2b **For AD Reserve:** only the Cost of Removal (net of salvage) assoc. with DSIC retirements is reflected (an add to Net DSIC addtions), neither the actual accumulated deprec. on DSIC net additions nor the DSIC retirements impact on AD is reflected. DSIC Retirements are used as an off The actual DSIC Formula: DSIC Additions, less DSIC Retirements (~), plus Cost of Removal, less any assoc. CIAC, = Net Rate Base to which the PTROR is applied. (~) = Depr. Exp. calced on DSIC Adds less DSIC Retirements. Net impact of the approach would seem to produce a lower N as a reduction to AD Reserve, offset to some degree by the increase in the Net Rate Base value via not incld. the actual accumulated depr. expense on Net DSIC plant and the addition of Cost of Removal. *However, the AD calc. is under Staff review in InAWC's 2013 DSIC filing.*

3 Reflects "adjusted WACC". Adjusted WACC = ROE and Capital Structure as authorized per most recent Base Case Filing, but Debt cost rates updated to current (not to exceed cost rate in prior Base case) and grossed up for recovery of applicable Income Taxes

3a Reflects the WACC per most recent Base Case Filing and grossed up for recovery of applicable Income Taxes

3b Reflects "adjusted WACC". Adjusted WACC = ROE as authorized per most recent Base Case Filing, with Capital Structure, and Debt cost rates updated to current (not to exceed cost rate in prior Base case) and grossed up for recovery of applicable Income Taxes

4 Amount is based only on the applicable Eligible UPIS amount. Depreciation rates as authorized in most recent Base Rate Case filing.

5 Includes GRFT, and BPU / RPA Assessments each of which is included within regular Base Rates

5a DSIC program will be re-evaluated for renewal after intial 5 year program (approx. 2017-18). Also DSIC Program requires a 'Foundational Filing' made prior to implementation of the initial semi-annual DSIC filing.

5b Includes income taxes, GRFT

6 Annual Filing based on Prospective 13 Month Average Plant utilized if Company's prior Base Case used a Forecated Test Year, otherwise a Quarterly filing based on Historical Plant is utilized.

6a Illinois Amer. QIP Mains replacement has been almost entirely focused on small mains that also need upsizing so Cleaning and Lining is not an option. Only recently have they begun performing some C&L on larger main replacement projects. Regs. Don't explicity address this categ

Data Base -- Distribution System Infrastructure Charge ("DSIC") or its equivilent

Date 03/18/2016

State	Name	Plant Type	DSIC Formula Rev. Req. Components: Eligible UPIS (*)	AD	ADIT	PreTax ROR	Deprec. Exp.	Property Taxes	Revenue based taxes	Uncoll.	Other Relevant Info.: DSIC Filing Frequency	Actual or Prospective UPIS	DSIC Revenue Cap	Earnings Test Applied	Reconciliation Filing (Y/N) & Filing Freq.	Rate Recovery % / VC / FC	Cust.classes Excluded fr. Rate Recov.	Other	Mains Replaced
7	In Missouri's case semi-annual means that there can be 2 filings in a year but do not necessarily have to be 6 mos. apart, e.g. can file the first in March and the second in July.																		
7a	Not a traditional ongoing or routine Earnings Test BUT they must file a Base Rate Case within 3 years of the each initial DSIC implementation.																		
7b	Currrently only available in St. Louis County portion of MAWC's service territory.																		
7c	Valves and Hydrants included but only those associated with a Main Replacement, not if stand-alone. Missouri Amer. is currently trying (5/1/13) to change the legislation to have DSIC also allow stand-alone valves and hydrants, and addtion of Meters, AMR & AMI, and Services. -																		
8	Wastewater Cap is 5% between Base Rate Cases.																		
9	LIWC's DSIC Tariff Rider surcharge was eliminated and replaced in 2012 with 3 annual Base Rate Step Increases with each including a the rev. req. to cover DSIC Capex spending above a minimum base level spend amount. Prior DSIC mechanism details noted above.																		
10	Wastewater Cap is 9% between Base Rate Cases and no more than a 3% increase in any one year.																		
10a	Replacement of chemical feed systems, filters, pumps, motors, plant generators, minimum land or land rights associated with the replacement of other eligible DSIC plant.																		
11	New or additional water treatment facilities, plant or equip. required to meet changes in state or federal water quality standards, rules or regs. Certain water supply sources to resolve regional water supply concerns.																		
12	WICA Water Infrastructure and Conservation Adjust. -- The Statute speaks to the Pre Tax ROR being applied to the "new original cost of eligible projects" with no mention of either AD or ADIT. Should verify this.																		
12a	Leak Detection Equipment, Pressure Reducing Valves, Production meters																		
13	The Aquarion Water Co. Tariff show to the PTROR being applied to the ISA with ISA defined as "the original cost to the Company of of eligible infrastructure system improvement projects", with no mention of either AD or ADIT. Should verify this.																		
13a	Pressure Reducing Valves, Production meters																		
14	WV did not authorize a DSIC but in its most recent Order "...the Commission will direct WVAWC to seek authorization for an IRP (Infrastructure Replacement Program) Surcharge mechanism, if it chooses to do so, in a separate proceeding outside a general rate case filing." (Februar																		
15	Earnings Test not addressed in NH Commission's Aquarion Water Co. Rate Order authorizing the WICA, but the Order notes Aquarion modeled it N.H. proposed WICA after its Connecticut WICA which has an Earnings Test.																		
16	Incds. New Equip. & Infra. Installed to comply with primary & secondary drinking water standards; wastewater incld. Collection mains installed to implement solutions to problems, improve. To reduce I&I, unrembursed facilities relocation, replacement pumps, motors, blowers, &																		
17	System Improvements Benefit mechanism.																		
18	Order says Eligible Plant is net of retirements but not other mention of AD or ADIT.																		
19	The Surcharge Revenue Requirement includes an "Efficiency Credit" of 5% of the SIB Rev. Req. before the credit. Also, there is a limit of 5% SIB cap between base rate cases.																		
20	Statute is not a DSIC type mechanism. Statute provides for the establishment of an Infrastructure Replacement Fund, funded by users (in base rates??) based on the annual funding requirements of facility improvements over each successive 20 year period. *Will need a base case to*																		
21	The Act requires the Commission to adopt Regulations which authorize recovery outside of a general rate case, certain costs relating to the planning, acquistion or construction of certain utility facilities which the Commission determines are prudent. *Will need a base case to see a*																		
22	ntal Compliance Rider. Both can include Operating Expenses related to the capital investment. The EDI can be for revenue-producing mains.																		

Data B

State	Eligible UPIS: Mains Cleaned & Lined	Main Relocations	Mains Elim. Dead -ends (**)	Valves	Services	Hydrants	Meters	Other	Statute	Regulation	Initial Rate Case DSIC authorized
NJ	Y	Y	N	Y	Y	Y	N	none	n/a	NJAC 14:9-10 (new Reg. created via agency Rulemaking)	NJBPU Dock.No. QO10090655 (the NJBPU's Generic Rulemaking Docket, not a NJA Rate Case docket)
Ind	Y	Y	Y	Y	Y	Y	Y	none	IC 8-1-31 (2000)	IAC 170, r. 6.-1.1-1	Ind. Amer. Cause No. 42351 (filed 12/19/02)
Ill	**(6a)**	Y	Y	Y	Y	Y	Y	**(6a)**	220 ILCS 5/9-220.2 & 10-101 (1999)	83 ILAC Chpt. I: subchpt E: Part 656	Ill. Amer. Dock.No. 04-0336 (filed 4/14/04)
Mo.	Y	Y	N	Y **(7c)**	N **(7c)**	Y **(7c)**	N **(7c)**	**(7c)**	Missouri Law 393.1000 to 393.1006; (House Bill 208) (2003)	4 CSR 240-3.650	Missor. Amer. Dock.No. WO 2004-0116 (filed 9/23/03)
PA	Y	Y	Y	Y	Y	Y	Y	none	66 Pa. C.S.A. part I, subpart C, chpt. 13, subchpt. B $ 1350-1360 (1996)	?	PA-Amer. Dock. No. P-00961031 (filed 3/15/96)
NY	covers non-DSIC eligible plant e.g. well rehabilitations, pumping & treatement improvements, etc								n/a	n/a	LIWC - Case 07-W-0508 (filed 5/1/07) (SIC)
NY	*Y*	*?*	*?*	*Y*	*Y*	*Y*	*N*	*none*	n/a	n/a	LIWC - Case 04-W-0577 (filed 4/30/04) (DSIC)
TN	Y	Y	Y	Y	Y	Y	Y	(22)	Tenn Ann. 65-5-103	TCA Section 65-5-103	TAW Case 13-00130
WV									n/a	n/a	West Vir.Am. Case No. 15*0675-W-42T
OH	Y	Y	Y	Y	Y	Y	Y	**(10a)**	Ohio Revised Code Sec. 4909.172	O.A.C. 4901:1-15-35 (PUC Case No. 13-234-WS-ORD)	
DE	Y	Y	Y	Y	Y	Y	Y	**(11)**	26 Del.C. $ 314	26 Del.Admin.Code 1009	
CT	Y	Y	Y	Y	Y	Y	Y	**(12a)**	C.G.S.A. $ 16-262v&w (chapter 283); (House Bill 7178)		CTDPUC Original Generic Decision to allow WICA's Docket No. 07-09-09 4/30/09
NH	Y	Y	Y	Y	Y	Y	Y	**(13)**	n/a	n/a	Aquarion Water Co. Pilot Program authorized Docket No. DW 08-098, Order No. 25,019 (9/25/09)
ME	Y	Y	Y	Y	Y	Y	Y	?	35-A M.R.S. sec.6105, 6107-A & resolves 2013, ch.9	65-407 Chapter 675 eff. 6/21/13	
NC	Y	Y	Y	Y	Y	Y	Y	**(16)**	NCGS 62-133.12 (HB 710) eff 6/12/13	???	
AZ	?	Y	?	Y	Y	Y	Y	none	n/a	n/a	Docket No. W-01445-11-0310 Decision 73938 (Arizona Water Co. Order Effective 6/27/2013)
FOR MA											
OTHER											
RI									Title 46, Chpt. 46-15.6 Section 46-15.6-6	???	
NV									Assembly Bill 436 (3/25/13)	???	

Notes
*
**

1 he time of the Foundational Filing.
2
2a ge value on retirements assoc. with DSIC additions.

set to DSIC Additions for purpose of the Net Plant amount and for the Deprec. Expense calculation.
Net Rate Base value since Retirements are incld. only as a reduction against DSIC Additions but not
2b
3
3a
3b
4
5
5a
5b
6
6a tory and IAWC hasn't yet requested.

Data B

	Eligible UPIS								Statute	Regulation	Initial Rate Case DSIC authorized
State	Mains Cleaned & Lined	Main Relocations	Mains Elim. Dead -ends (**)	Valves	Services	Hydrants	Meters	Other			
7											
7a											
7b											
7c	per D. Williams 5/1/13.										
8											
9											
10											
10a											
11											
12											
12a											
13											
13a											
14	y 24, 2016, p. 27).										
15											
16	other mechanical equip.										
17											
18											
19											
20	*see details of implementation.*										
21	*details of implementation.*										
22											