

From: Kevin.Watsey@amwater.com [<mailto:Kevin.Watsey@amwater.com>]

Sent: Monday, September 14, 2015 8:26 AM

Subject: New Jersey American Water Granted New Rates by New Jersey Board of Public Utilities

Dear Mayors, Administrators, and Clerks

I am writing to inform you that on September 11 2015, the New Jersey Board of Public Utilities (BPU) granted New Jersey American Water an increase in rates. Since New Jersey American Water's last rate adjustment in May of 2012, the company has spent more than \$775 million to replace and upgrade approximately 160 miles of water infrastructure to improve uninterrupted access to high-quality, reliable water service for its customers. During the same period, the company has lowered its operating expenses by more than \$19 million. Those cost reductions supported more than \$125 million of infrastructure investment with no impact on customers' bills.

The \$22 million overall increase will mean that the average customer in your town will see an increase of just \$3.15 per month. **New rates became effective on September 11.**

In addition, I am happy to report that your town's public fire service rates will remain unchanged.

While nobody likes to hear that rates will increase, the long term cost of not performing the necessary work covered by these new rates would be far greater. It is well documented that a safe, reliable water supply is vitally important for communities to thrive. The improvements we make in our systems help ensure water is available when needed. Additionally, repairs made to water mains during an emergency can cost up to ten times more than a planned replacement or rehabilitation. Though emergencies will always occur, our strategic and proactive planning ultimately aims to lessen these occurrences and saves our customers from bearing the brunt of higher costs.

For those who may experience difficulty paying their bill on time, New Jersey American Water offers financial assistance through the H2O Help To Others™ program, and our Low Income Payment Program. These programs are administered through NJ SHARES, a statewide non-profit corporation primarily providing assistance to individuals and families in need of help meeting their energy and utility burden.

Further information explaining the increase will be mailed to customers and they may also contact our call center at 800-652-6987 or visit our website www.amwater.com/njaw. As always, you can like us on Facebook for the most up to date information on your water company.

If you have any questions, please contact Kevin Watsey in the government affairs department at 856-782-2373.

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