

IN THE MATTER OF THE PETITION OF NEW : STATE OF NEW JERSEY
JERSEY-AMERICAN WATER COMPANY, INC. : BOARD OF PUBLIC UTILITIES
FOR APPROVAL OF INCREASED TARIFF : DOCKET NO. WR26010010
RATES AND CHARGES FOR WATER AND :
WASTEWATER SERVICE AND OTHER TARIFF : STATE OF NEW JERSEY OFFICE OF
MODIFICATIONS : ADMINISTRATIVE LAW
: JUDGE GERTSMAN
: OAL DOCKET NO. PUC 03132-2026S

STATEMENT OF NON-OPPOSITION TO STIPULATION OF SETTLEMENT
OF INTERVENOR NATURAL RESOURCES DEFENSE COUNCIL

The Natural Resources Defense Council (“NRDC”) provides the following statement of non-opposition to the proposed Stipulation of Settlement (“Stipulation”) proffered by New Jersey American Water Company (“NJAWC”), Board Staff, and New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively “Stipulating Parties”) in this proceeding.

All residents of New Jersey have a right to safe, sufficient, and affordable water. Yet affordability remains a major concern for too many families across the state who struggle to pay their water bills, as costs across many economic sectors, including water and wastewater, continue to rise. Indeed, an estimated 20% of New Jersey households already struggled to pay water and sewer bills as of 2021, and water rates (and other household expenses) have only increased across the state since that time.¹

NRDC believes NJAWC has an obligation to serve customers throughout its service area at a cost its customers can afford, regardless of household income, and in a manner that does not put them at risk of losing access through discontinuance of service due to inability to pay their water bills.

NJAWC’s low-income discount program, the Universal Affordability Tarrieff (“UAT”), is intended to alleviate some of the affordability challenges facing customers. Yet current enrollment in the UAT is woefully inadequate (approximately 4% of eligible customers) and water shutoffs continue to increase across NJAWC’s service area (more than doubling from 2024 to 2025).²

NJAWC’s original petition in this proceeding proposed efforts to substantially increase participation in the UAT through automatic enrollment of all customers participating in the Low-Income Home Energy Assistance Program (“LIHEAP”) and Universal Service Fund (“USF”)

¹ Van Abs, et al., A New Jersey Affordability Methodology and Assessment for Drinking Water and Sewer Utility Costs, A Project of New Jersey Future for Jersey Water Works (Aug. 2021), <https://www.jerseywaterworks.org/resources/a-new-jersey-affordability-methodology-and-assessment-for-drinking-water-and-sewer-utility-costs>. An overview of the report is available at: <https://www.jerseywaterworks.org/latest-news/understanding-affordability-problems-for-drinking-water-and-sewer-utilities>.

² Motion for Intervention of Natural Resources Defense Council (May 5, 2026), OAL Docket No. PUC 03132-2026S, BPU Docket No. WR26010010.

programs. As stated in NRDC’s Motion for Intervention, our purpose for intervening was to secure improvements to the UAT that would expand eligibility for and participation in the program and ensure all participants receive the full benefits of the program, including by improving upon NJAWC’s automatic enrollment proposal. Unfortunately, the Stipulation does not require any automatic enrollment.

Despite our ongoing concerns regarding affordability for customers, NRDC recognizes certain valuable provisions in the Stipulation and does not object to the Board’s approval of the Stipulation. Taken together, those provisions lay the groundwork for both near-term and medium-term improvements to the UAT.

Specifically, the Stipulation:

- Provides a realistic pathway aimed at adopting automatic enrollment within the next 2-3 years, by the time of NJAWC’s next base rate case if not sooner (para. 15);
- Adopts an “expanded enrollment process” to supplement the existing enrollment process, which can significantly increase UAT participation before the next rate case by enabling enrollment of customers based on income information already vetted by the New Jersey Department of Community Affairs (“DCA”) (paras. 16 and 17); and
- Requires NJAWC to “continue to use best efforts to increase enrollment through the Company’s existing enrollment process” (para. 17).

With respect to the existing enrollment process, we note that NJAWC stated in a non-confidential response to a discovery request from Rate Counsel that it projects increasing UAT enrollment to 7% of eligible customers solely through that process, which amounts to an increase of approximately 3,000 customers beyond NJAWC’s historical “test year” enrollment levels. NJAWC, Response to Discovery Request No. RCR-COSS-041_attachment.

Bringing the first two the provisions above to fruition (concerning automatic enrollment and the expanded enrollment process) will require coordination between NJAWC and DCA, as well as further, subsequent action by the Board, beyond approving the Stipulation. Importantly, though, approval of the Stipulation will enable the “expanded enrollment process” to achieve initial progress of up to 2,500 new enrollees without further Board action.

Although DCA is not a party to this proceeding or to the Stipulation, NRDC anticipates that DCA will use its best efforts to enable success. We will remain engaged to support DCA’s efforts.

Further, all of the provisions above will require ongoing engagement by Board Staff to facilitate and/or monitor progress—regarding both UAT enrollment and reduction of shutoffs and customer arrears, which are the ultimate goals of the UAT. The Stipulation provides mechanisms to facilitate that engagement by Board Staff as well as Rate Counsel, Intervenors, and other stakeholders (paras. 17-20). It also requires NJAWC to include in its next base rate case a

proposal for an arrearage management plan for residential customers with past-due balances (para. 21).

Additionally, through quarterly reporting under P.L. 2022, c. 107, the Company is already required to publicly report on, among other things, monthly UAT enrollment, shutoffs, and arrears at the zip code level.³

NRDC expects NJAWC to make best efforts to implement the above-referenced provisions of the Stipulation. NRDC believes this can yield dramatic increases in UAT enrollment while significantly reducing water shutoffs for non-payment of bills. NRDC is committed to actively supporting such efforts.

NRDC urges the Board to engage pro-actively to facilitate successful implementation of these provisions. We urge the Board to rely both on the mechanisms included in the Stipulation and on data reported under P.L. 2022, c. 107 to actively monitor the progress of NJAWC's efforts and, as needed, take further formal action during the implementation period to ensure those efforts achieve their goals.

Finally, nothing in the Stipulation or this statement of non-opposition should be construed or represented by any other party or entity to limit NRDC's ability to advocate for additional affordability measures in future legislative, regulatory, or rate proceedings.

DATED: August 27, 2026

Respectfully Submitted,

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³ See also the Board's May 10, 2023 order in Docket No. AO20060471, implementing P.L. 2022, c. 107.

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