



Agenda Date: 7/29/16
Agenda Item: 5B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF SUEZ WATER NEW JERSEY,)
INC.'s DISTRIBUTION SYSTEM IMPROVEMENT) ORDER ADOPTING STIPULATION
CHARGE FOUNDATIONAL FILING PURSUANT TO)
N.J.A.C. 14:9-10.4) BPU DOCKET NO. WR16040303

Parties of Record:

John T. Dillon, Esq., Suez Water New Jersey, Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On April 18, 2016, Suez Water New Jersey, Inc. ("Company" or "Petitioner"), a public utility corporation of the State of New Jersey, filed a petition (the "Foundational Filing") pursuant to N.J.A.C. 14:9-10.1 et seq. for approval to file and implement an automatic adjustment clause that would establish a Distribution System Improvement Charge ("DSIC") for the rehabilitation and replacement of water distribution system assets for the period of 2016 through 2018.

BACKGROUND/PROCEDURAL HISTORY

The Company's initial DSIC Foundational Filing was approved by the Board on October 23, 2012 in BPU Docket No. WR12080724 and its second DSIC Foundational Filing was approved by the Board on November 22, 2013 in BPU Docket No. WR13030210. The Company filed its most recent base rate filing, BPU Docket No. WR15101177, on October 7, 2015, which base rate increase incorporated the entirety of the Company's first DSIC recovery period (December 1, 2013 through May 31, 2014), second DSIC recovery period (June 1, 2014 through November 30, 2014), third DSIC recovery period (December 1, 2014 through May 31, 2014) and fourth DSIC recovery period (June 1, 2015 through November 30, 2015). This base rate case was approved on April 27, 2016.

The Petitioner ultimately filed its third Foundational Filing on April 18, 2016, 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 to issue and respond to discovery questions in a timely manner, which would permit this matter to be acted upon by the Board within the ninety (90) day period specified in N.J.A.C. 14:9-10.4(c). However, due to the

timing of the June¹ and July² Board agenda meetings, the Company filed a letter on June 9, 2016, extending the 90 days to 120 days. The Petitioner responded to discovery requested from all Parties.

After proper notice, a public hearing was held at the Bergen County Freeholders public meeting room, in Hackensack, on July 7, 2016, at 5:30 p.m. One (1) member of the public appeared at the hearing to provide comments, in relevant part stating that while he supports the approval of these capital projects to reduce the large water losses of the Company, he does not believe the Company deserves to earn a return on the investment, but only to recover the costs. Rate Counsel supplied a written copy of its verbal comments. The public-comment hearing was transcribed and made a part of the record.

DISCUSSION AND FINDINGS

A Stipulation of Settlement was executed in the recent base rate proceeding in BPU Docket No. WR15101177 and subsequently approved by an Order of the Board dated April 27, 2016, and which became effective on May 7, 2016. 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. That Order established the maximum amount of annual DSIC revenues that may be collected by the Petitioner at \$11,536,298, or 5% of the adjusted revenues of \$230,725,965, as determined in the Company's most recent base rate case.

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 agreed to a Stipulation of Settlement ("Stipulation") recommending the following:³

1. The Parties recommended that the Board find that the Company's Foundational Filing, including a revised Exhibit P-4, which is attached as Attachment 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.
2. The Parties agreed that the Board approved new rates in the Company's prior base rate case effective May 7, 2016, which reset the DSIC surcharges to zero, consistent with the DSIC regulations and incorporated the Company's previous DSIC surcharges from its previous Foundational Filing. The Parties further agreed that the Company satisfied the Foundational Filing requirement specified in N.J.A.C. 14:9-10.4(b).
3. The Parties agreed that Attachment B to the Stipulation accurately reflects Exhibit P-2, the DSIC Assessment Schedule and that corrected schedule includes the maximum amount of annual DSIC revenues of \$11,536,298 should the Company invest the maximum and that the Board should so find:

¹ The June agenda meeting only afforded 72 days for the review period.

² The July agenda is 102 days after the filing date.

³ Although described in the Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

4. The Parties agreed that the annual "base spending" requirement as defined in N.J.A.C. 14:9-10.2 is \$7,371,693, based on the information filed in the Company's last annual report on file with the Board (the 2015 Annual Report) at the time the Foundational Filing was filed.
5. The Parties recommended that the Board authorize the recovery in the DSIC of the revenue requirement, of the actual costs associated with the projects contained in the revised Attachment A to be submitted subsequent to the Order and that construction may begin after the Board approves this Foundational Filing. The Parties acknowledge that if construction on some of the projects commences before the effective date of the new Foundational Filing, costs incurred for construction activities performed after the effective date of the Board's approval of the Foundational Filing, along with dead-end mains, may only be used to satisfy the base spending requirement.

The Board **HEREBY FINDS** that the Company's 2015 overall revenue for DSIC purposes is \$230,725,965 as determined in BPU Docket No. WR15101177. The Board **FURTHER FINDS** that the Petitioner's maximum amount of annual DSIC revenues that may be collected is \$11,536,298, or no more than 5% of the Company's total water revenues established in the Company's most recent base rate case. 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 \$3.45. These proposed rates are estimates and may change, however the maximum annual DSIC revenue requirement, \$11,536,298, 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 \$11,536,298 set forth in this Order.

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 May 7, 2016, the effective date of the SUEZ Water New Jersey April 27, 2016 Base Rate Order, Docket Number WR15101177, the prior foundational filing (effective November 22, 2013) was concluded and no additional DSIC filings or DSIC rates may be collected, made or implemented pursuant thereto.

The Board **FINDS** the Foundational Filing to be reasonable, in the public interest, and in accordance with the law, therefore, the Board **HEREBY ADOPTS**, as its own, the Stipulation and all attachments and schedules as amended, 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.

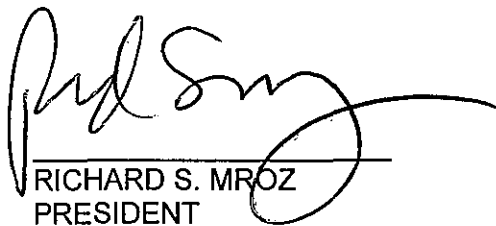
Based upon the foregoing, the Board **HEREBY APPROVES** the Stipulation and the Company's Foundational Filing and **ORDERS** that the Company submit, within thirty (30) days of the effective date of this order, a revised Attachment A reflecting: 1) dead-end looping projects in base spending; 2) valves in blanket projects; 3) main cleaning and lining projects with sufficient detail to satisfy N.J.A.C. 14:9-10.4(b)(2); and 4) the revised SE-12 information.

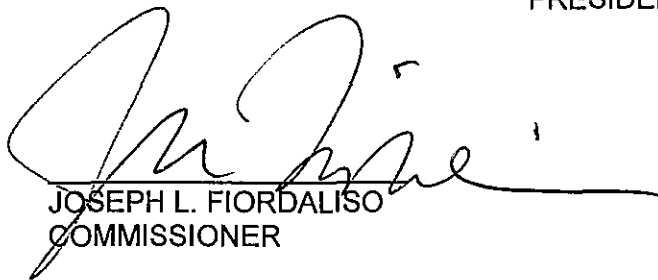
The Board **FURTHER ORDERS** that the Company may implement a Distribution System Improvement Charge, subject to this Order and Petitioner's ongoing compliance with the DSIC regulations, as well as conformity of the base spending requirements and semi-annual true-up submissions.

The effective date of this Order is August 8, 2016.

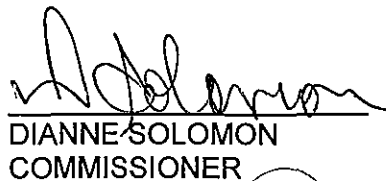
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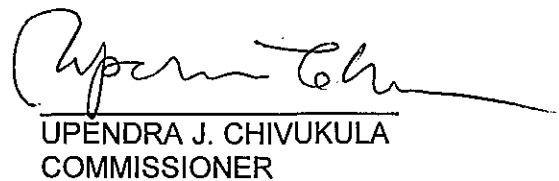
BOARD OF PUBLIC UTILITIES
BY:

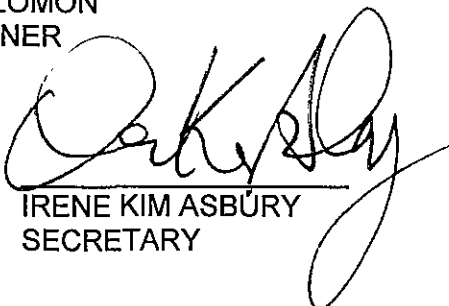

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

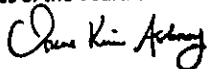

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
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 SUEZ WATER NEW JERSEY, INC.'s
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE FOUNDATIONAL FILING
PURSUANT TO N.J.A.C. 14:9-10.4
BPU DOCKET NO. WR16040303

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF
SUEZ WATER NEW JERSEY, INC.'S
DISTRIBUTION SYSTEM IMPROVEMENT
CHARGE FOUNDATIONAL FILING
PURSUANT TO N.J.A.C. 14:9-10.4

BPU DOCKET NO. WR16040303

**STIPULATION
OF SETTLEMENT**

APPEARANCES:

John T. Dillon, Esq., on behalf of SUEZ Water New Jersey Inc., Petitioner

Christopher Psihoules, Deputy Attorney General (Robert Lougy, Acting Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Debra F. Robinson, Esq., Deputy Rate Counsel, and Christine M. Juarez, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The Parties in this proceeding are SUEZ Water New Jersey, Inc. (the "Company", "SWNJ" or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Board Staff" or "Staff"). As a result of an analysis of Petitioner's Foundational Filing made on April 15, 2016, as well as discovery propounded upon Petitioner, and a public hearing held in the service territory on July 7, 2016, the Company, Board Staff, and Rate Counsel (collectively, the "Parties") have come to an agreement on this matter. The Parties hereto agree and stipulate as follows:

1. Petitioner is a public utility corporation of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities. Petitioner's principal business office is located at 461 From Road, Paramus, NJ 07652.

2. Petitioner is engaged in the business of collecting, treating and distributing water for retail service to approximately 200,000 customers. The Company's customers are located in Bergen, Hudson, Passaic, Sussex, Morris and Hunterdon Counties, New Jersey.

3. The Parties agree that the Company has satisfied the Foundational Filing requirement specified in N.J.A.C. 14:9-10.4(b). The Parties agree that as required at N.J.A.C. 14:9-10.4(c), the Company has recently concluded a base rate proceeding and implemented base rates pursuant to an Order of the Board dated April 27, 2016 in BPU Docket No. WR15101177.

4. The Parties agree that this Distribution System Improvement Charge ("DSIC") Foundational Filing is made pursuant to the Board's DSIC rules generally found at N.J.A.C. 14:9-10.4 et. seq., and was filed subsequent to, but in the context of, the Company's previous base rate case to establish a new, updated Foundational Filing. The Board approved new rates in the Company's prior base rate case effective May 7, 2016, which pursuant to the DSIC regulations, incorporated (by resetting the DSIC surcharges to zero) the Company's previous DSIC surcharges pursuant to the Company's previous Foundational Filing.

5. Pursuant to N.J.A.C. 14:9-10.4 the Board must act on a proposed DSIC filing within 90 days of a completed application. The company's foundational filing was received on April 18, 2016, and would therefore require Board action by July 17, 2016. On June 9, 2016, the Company agreed to extend the 90-day window for Board action by 30-days, making the new deadline for Board action August 16, 2016.

6. After proper notice, a public hearing was held on July 7, 2016, at the Bergen County Freeholders Office, located in Hackensack, New Jersey. A copy of the public notice setting out the proposed rate impact of the DSIC is attached as Attachment C hereto. One member of the public appeared at the hearing. The public comment hearing was transcribed and made a part of the record.

7. The Parties stipulate the projects contained in Exhibit P-4 to the Foundational Filing, which is attached hereto in redacted form as Attachment A, have been reviewed. The parties agree that subsequent revisions, will be filed with the Board within 30 days of the Order in this matter, to the Main Cleaning and Lining Valve Replacement tab pursuant to N.J.A.C. 14:9-10.4(b)(2); Valve Replacements will be moved to the Blanket Structured Projects tab; and the updated discovery response SE-12 will be reflected in this Attachment. These changes to Attachment A do not affect the overall recovery. The Parties further stipulate that the projects in Exhibit P-4 that begin construction after the Board's approval of this Foundational Filing are DSIC-eligible projects as defined at N.J.A.C. 14:9-10.2, and are eligible to be included in the Company's DSIC filings pursuant to N.J.A.C. 14:9-10.5.

8. Pursuant to N.J.A.C. 14:9-10.4(b)(1), the Company provided as Exhibit P-4 an engineering evaluation report which identifies the rationale for the work to be performed; demonstrates that the proposed plan is cost-effective; identifies elements of the distribution system that require investment including assets which might be susceptible to failure; and identifies efforts to extend the life of the distribution system assets. Pursuant to N.J.A.C. 14:9-10.4(b)(2), also included with Exhibit P-4 is DSIC project information which included the following elements:

- a. a list of DSIC-eligible projects by asset class;
- b. project descriptions, including the nature, location, estimated in-service dates, as well as the vintage and condition of the facilities being replaced or rehabilitated, estimated project costs, and descriptions and reasons for the projects; and
- c. aggregate information capturing blanket-type, DSIC-eligible infrastructure projects and the estimated annual cost of such blanket-type replacement programs.

9. The Parties agree that the Attachment B to this Stipulation accurately reflects the Exhibit P-2 DSIC Assessment Schedule. Pursuant to that corrected schedule, the maximum amount of Annual DSIC revenues is \$11,536,298 should the Company invest the maximum pursuant to the DSIC regulations and the Parties agree that the Board should so FIND.

10. Subject to the DSIC rules, the Parties recommend that the Board authorize the recovery in the DSIC of the revenue requirement, calculated in accordance with N.J.A.C. 14:9-10.8, of the actual costs associated with the projects contained in Attachment A and that construction may begin after the Board approves this Foundational Filing. The Parties acknowledge that the Company may commence construction of some of the projects listed in Attachment A prior to the Board's approval of the Foundational Filing. In that event, the Parties agree that costs incurred for construction activities performed after the effective date of the Board's approval of the Foundational Filing may be used to satisfy the Company's base spending requirement. These costs are not, however, eligible for recovery through the DSIC charge. Consistent with the Board's practice in implementing the DSIC, projects intended to loop dead-end mains may -only be used to satisfy the Company's base spending requirement. The Parties recommend that the Board direct the Company to file an amended Attachment A that includes dead-end looping projects to facilitate Board Staff's analysis of the semi-annual DSIC rate filings when these filings are made.

11. The Parties agree that the Company's base spending requirement is \$7,371,694 as calculated in Exhibit P-1 of the Foundational Filing.

12. A copy of the Public Notice is attached as Attachment C.

13. This Stipulation is the product of extensive negotiations by the Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Parties to

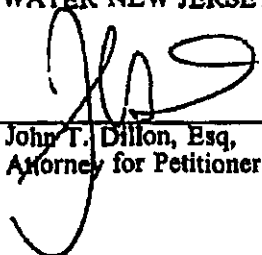
this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein. The Parties agree that the within Stipulation reflects mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates, with any compromises being made in the spirit of reaching an agreement. None of the Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

SUEZ WATER NEW JERSEY INC.

7/8/16
Date

By:

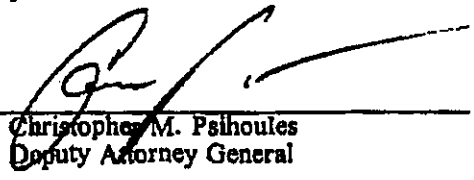


John T. Dillon, Esq,
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

7/8/16
Date

By:




Christopher M. Psihoules
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR - RATE COUNSEL

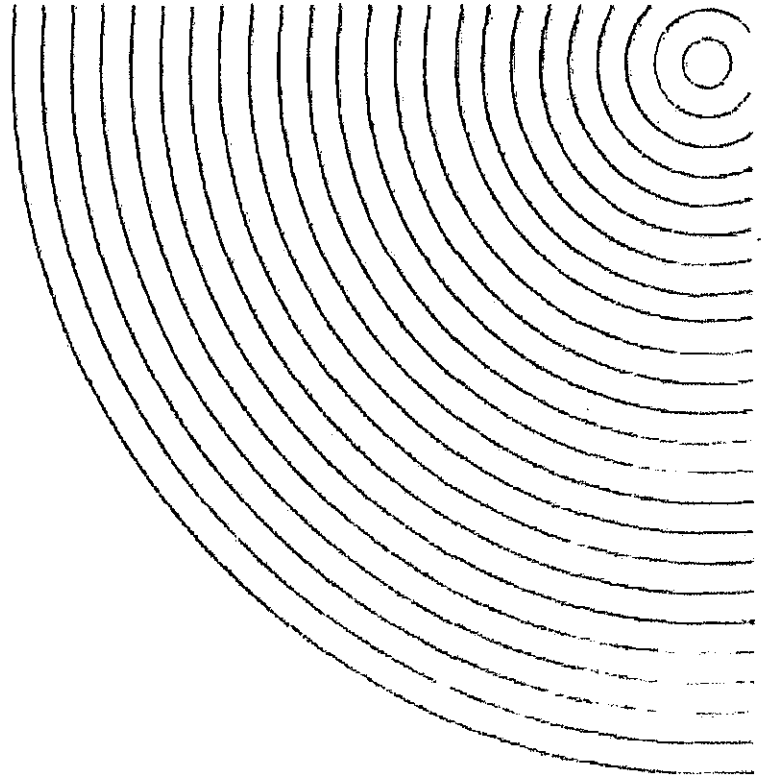
7/16/16
Date

By:



Christine M. Juarez, Esq
Assistant Deputy Rate Counsel

ATTACHMENT A



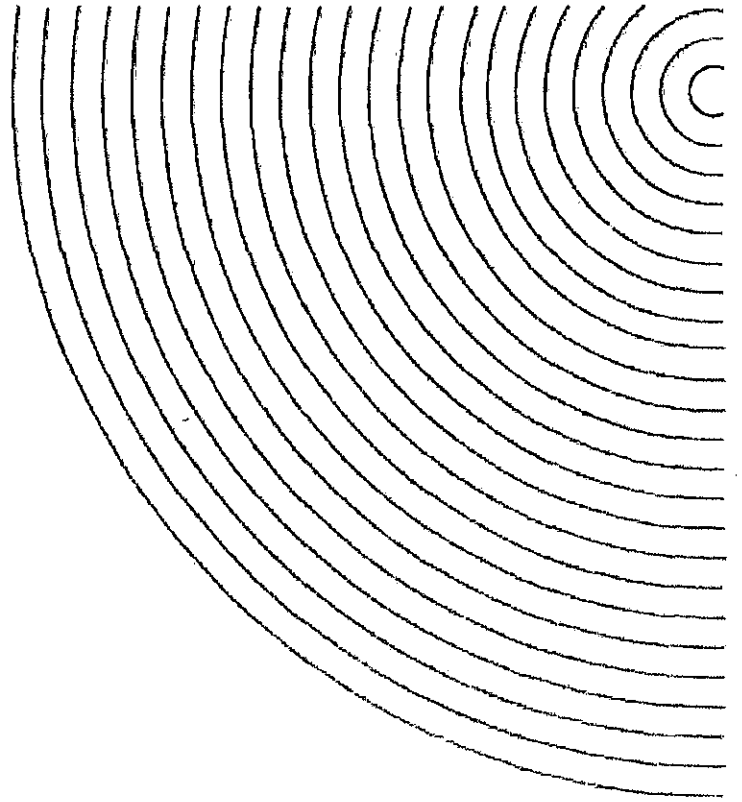
SUEZ Water New Jersey

**In the Matter of
Distribution System Improvement
Charge (DSIC) Foundational Filing
Pursuant to N.J.A.C. 14:9-10.4
BPU Docket No. WR1604_____**

April 7, 2016

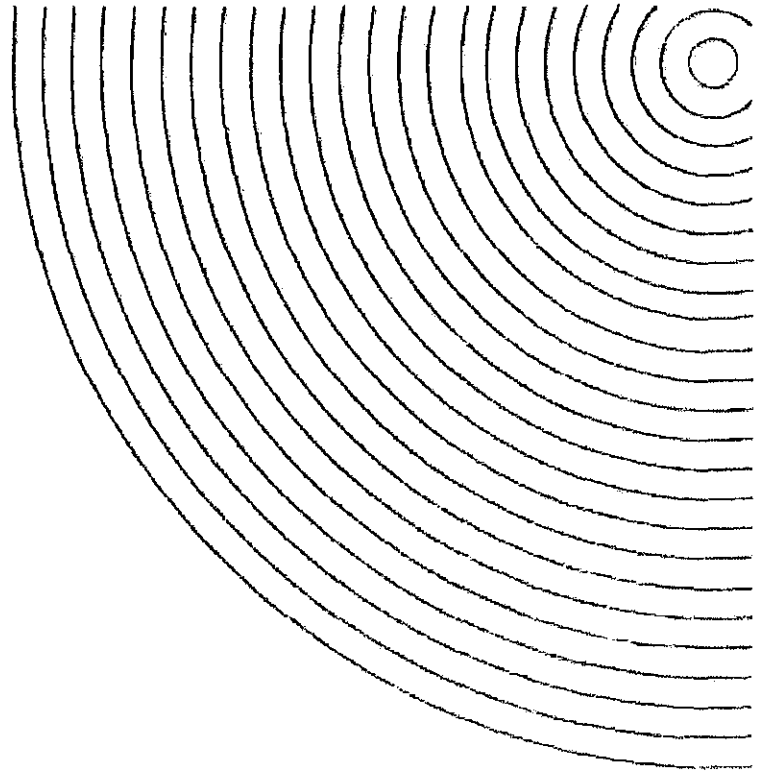
REDACTED





Engineering Evaluation Report





**Engineering Evaluation Report &
Distribution System Improvement
Charge (DSIC) Project Information for
SUEZ Water New Jersey 2016-2020**

April 2016

REDACTED





SUEZ Water New Jersey's distribution network serves approximately 800,000 people within Bergen, Hudson, Sussex, Morris, Hunterdon and Passaic County in New Jersey across over 60 different municipalities. The distribution network contains mains installed between 1869 to present with the oldest mains focused in the southern portion of the system in Bergen and Hudson County.

The network approximately consists of the following:

- 2,200 miles of pipeline
- 49 pumping and booster stations
- 25 active tanks with a total storage capacity of 57.2 million gallons
- 15,600 hydrants
- 47,400 valves (system and hydrant)
- 190,000 service lines

As part of SUEZ Water New Jersey's 2016 Master Planning process, a detailed analysis was completed on the physical characteristics of the water mains within the Company's system. Approximately 20% of the system has reached its industry accepted useful life of 100 years. By 2025, this number will jump to approximately 40%. SUEZ's analysis was not limited to pipe age, but also investigated material and vintage failure patterns along with a criticality/risk model to prioritize the necessary replacement and rehabilitation. SUEZ predominately utilized Cast Iron and Ductile Iron in the construction and maintenance of its system. Prior to 1940, Unlined Cast Iron was typically installed. This Unlined Cast Iron pipe shows evidence of high levels of tuberculation. Mains identified with reduced hydraulic capacity are targeted first for main rehabilitation programs. Figure 1.1 shows the distribution of mains installed in the SUEZ system by material type for both raw and finished water applications. Approximately 75% of SUEZ network consist of Lined and Unlined Cast Iron main. In respect to pipe vintage, it has been determined that certain mains installed between 1962 and 1968 exhibit a high failure rate in comparison to other mains as seen in Figure 1.2. Over the last 8 years the Company has had an average of 428.1 breaks per year, including joint leaks, which translates to about 19.4 breaks per year per 100 miles of pipe. This can be seen in Table 1.1:

Table 1-1: Main Break Analysis

Year	2008	2009	2010	2011	2012	2013	2014	2015	Total	Average
Breaks:	460	489	439	321	310	452	450	504	1993	428.1
Per 100 Mi:	20.9	22.2	19.9	14.6	14.1	20.5	20.4	22.9	-	19.4

SUEZ's 2016 Master Plan regarding Transmission and Distribution (Chapter 7) identifies necessary main rehabilitation and renewal projects and are prioritized according to standard rating criteria. These projects are specifically geared toward replacing and improving existing infrastructure based on pipe performance such as main breaks per 1000/ft and pipe age. The rating criteria allows the Company to analyze many pipe segments at once to prioritize projects based on the severity of the pipe condition and to determine if replacement or rehabilitation is required. SUEZ continues to investigate additional tools to expand and improve the criteria used for rating mains for replacement and rehabilitation such as DWWQ complaints, coupon database, and external factors (soil conditions).



Figure 1.1 SUEZ Pipeline Material Distribution

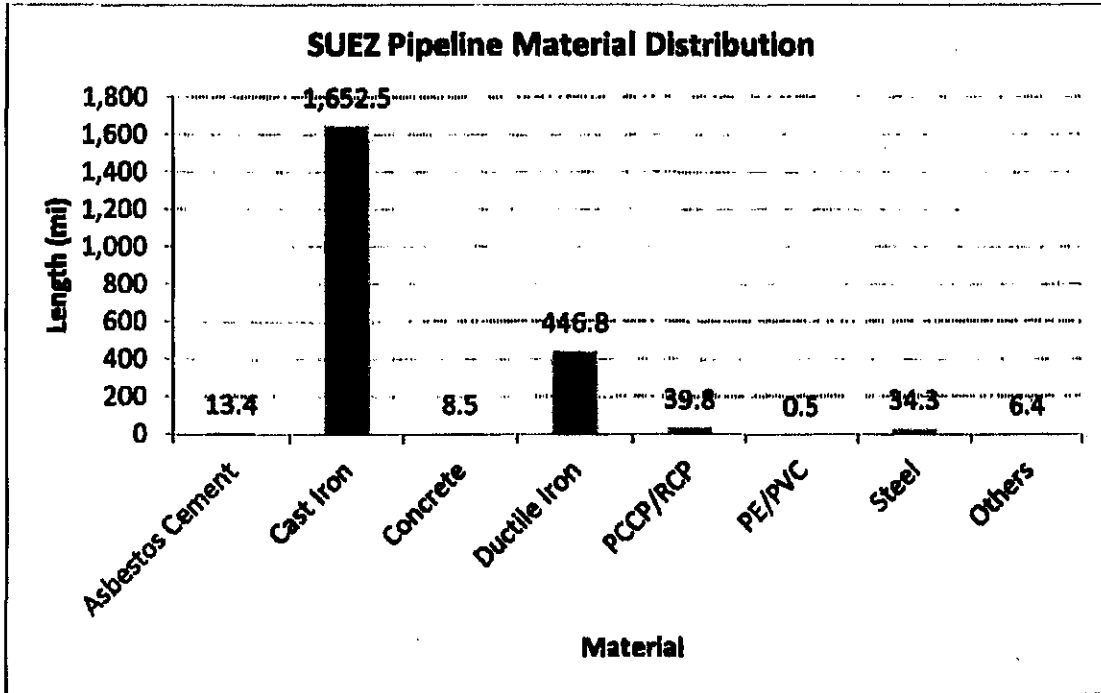
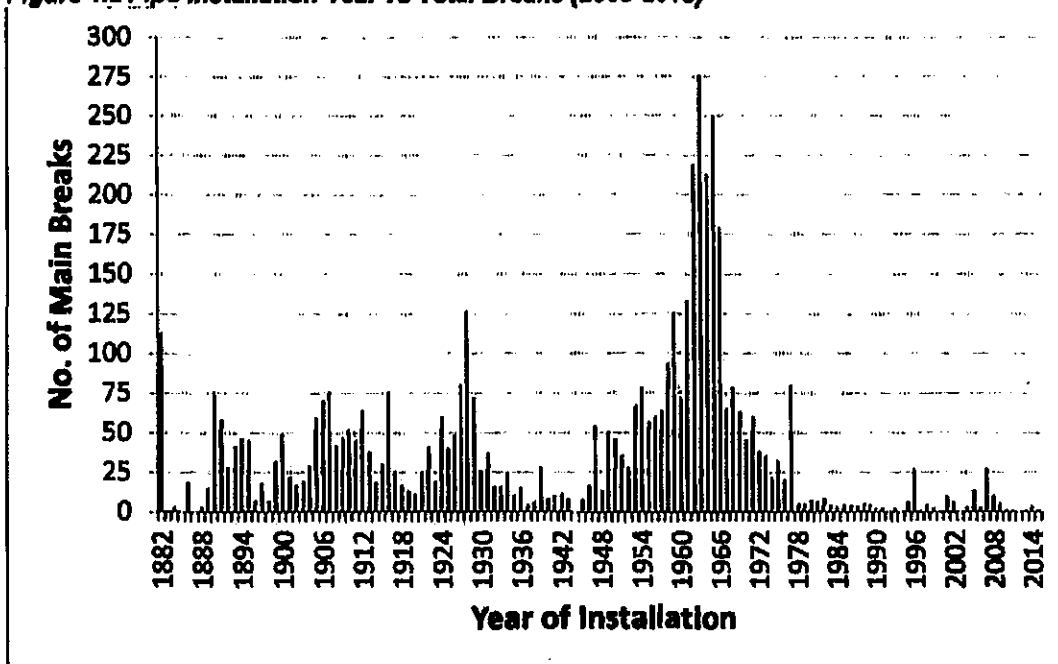


Figure 1.2 Pipe Installation Year vs Total Breaks (2003-2015)





SUEZ maintains a hydrant and valve testing program to identify where regular maintenance work may be required to prevent valve or hydrant failure. SUEZ operates more than 31,000 system valves and approximately 16,400 hydrant valves. On a continuous basis, the Company replaces deteriorated, damaged, and un-repairable valves to improve customer services and maintain system integrity. SUEZ follows the NJ BPU service standard to exercise all system valves 12" or larger every two years and all other smaller valves every four years. SUEZ works closely with the towns it serves to resolve any concerns that may arise during the use of its hydrants during firefighting efforts and training or during authorized hydrant usage. Additionally, SUEZ has a flow testing program that it conducts on an annual basis. SUEZ personnel conduct flow tests for both internal needs as well as external requests (Developers, ISO, etc.).

SUEZ manages "blanket projects" for hydrant, short main and valve, domestic service, and fire service replacement projects. Short main replacement projects are classified as those major main breaks requiring the replacement of a length of existing water pipe. Over the last 8 years SUEZ has averaged 428 main breaks a year. SUEZ maintains this formatting for controlling and tracking capital costs as it is near impossible to pre-determine the quantity of such replacements or where these replacements will be needed. The average expenditures for these projects can be seen in the Table 1.2.

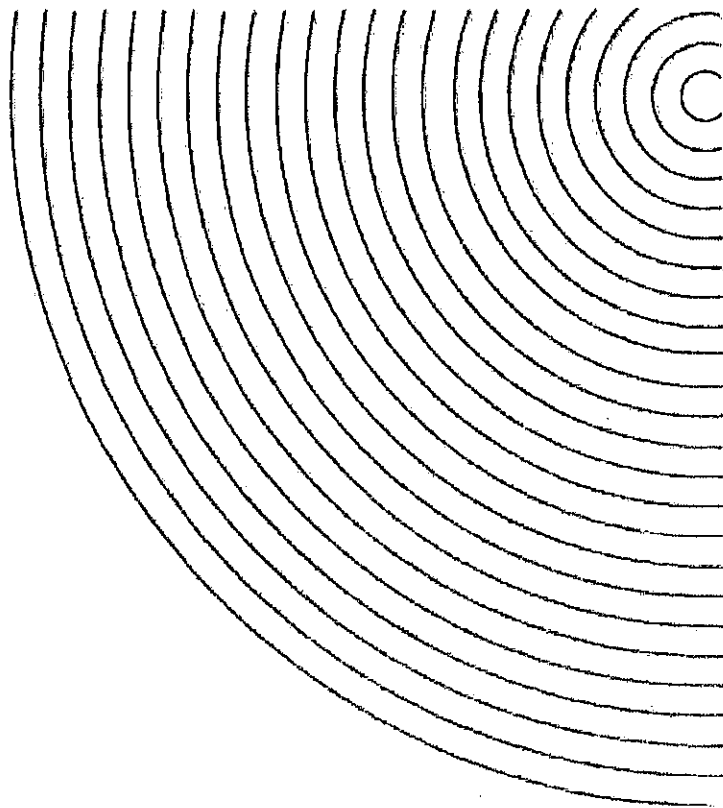
Table 1.2 Annual Blanket Project Spending

Main Replacement	D600	\$ 5,449,000
Main Cleaning & Lining	D800	\$ 1,540,000
Valve Replacement	D503	\$ 574,000
Hydrant Replacement	D501	\$2,125,000
Domestic and Fire Service Replacement	F501/F503	\$ 5,740,000
Unreimbursed Utility Relocation	D700	\$ 300,000
Short Main and Valve Replacement	D502	\$ 2,559,000
TOTAL		\$ 18,287,000

In addition to main replacement and rehabilitation SUEZ actively conducts leak testing on small and large diameter mains to locate and repair invisible (non-surfacing) leaks before they result in breaks and unplanned service interruptions. This practice helps extend the useful life of the Company's underground assets, as well as help maintain system integrity, allowing the minimization of service interruptions SUEZ customers may experience.

SUEZ 2016 Master Plan is a Confidential Document and will be made available for review at the Company's office:

461 From Rd
Paramus, NJ 07652
201-784-7083



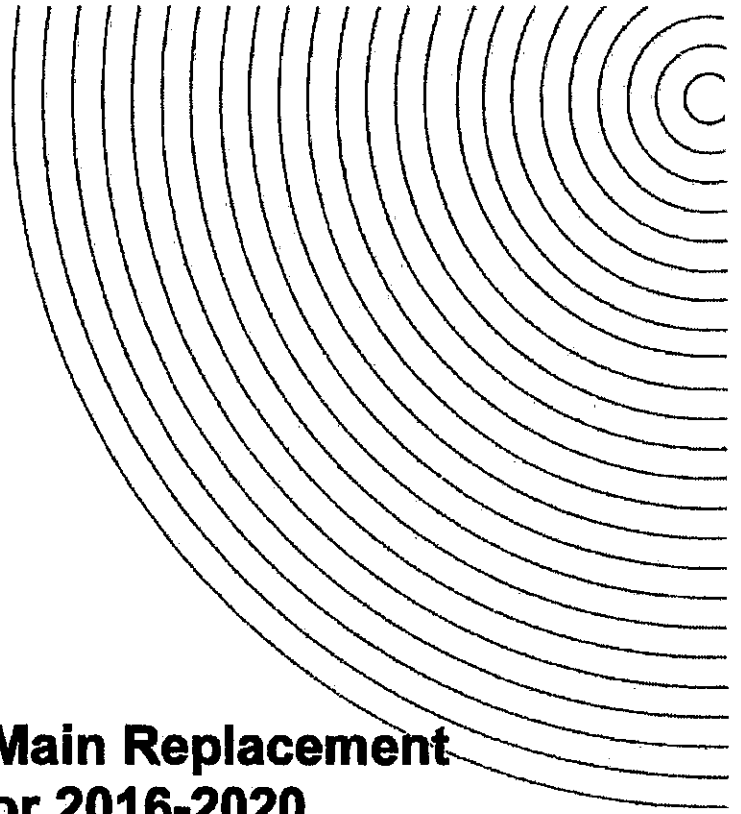
Projected Annual Spending 2016-2020

Revised 6/9/16





Main Replacement	D600	\$ 5,449,000	\$ 4,269,000	\$ 9,397,000	\$ 11,446,000	\$ 14,841,000	\$ 14,098,000
Main Cleaning & Lining	D800	\$ 1,540,000	\$ -	\$ 2,335,000	\$ 2,342,000	\$ 2,342,000	\$ 2,349,000
Valve Replacement	D503	\$ 574,000	\$ 1,313,000	\$ 1,270,000	\$ 1,299,000	\$ 1,325,000	\$ 1,355,000
Unreimbursed Utility Relocation	D700	\$ 300,000	\$ 893,000	\$ 791,000	\$ 793,000	\$ 794,000	\$ 796,000
Short Main and Valve Replacement	D502	\$ 2,559,000	\$ 2,320,000	\$ 2,244,000	\$ 2,295,000	\$ 2,341,000	\$ 2,395,000
Hydrant Replacement	D501	\$ 2,125,000	\$ 2,582,000	\$ 2,498,000	\$ 2,554,000	\$ 2,606,000	\$ 2,666,000
Domestic and Fire Service Replacement	F501/F503	\$ 5,740,000	\$ 6,872,000	\$ 7,224,000	\$ 7,388,000	\$ 7,536,000	\$ 7,710,000
TOTAL		\$ 18,287,000	\$ 18,249,000	\$ 25,759,000	\$ 28,117,000	\$ 31,785,000	\$ 31,369,000



**Company Funded Main Replacement
Projects Planned for 2016-2020**

Revised 6/9/16

REDACTED



SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Main Replacement - Company Funded D600

Project Information		Original Pipe			Length	Proposed Pipe		Cost	Material	Installation Method	Distribution	Replacement	Notes
Asset ID	Location	Size	Material	Year Inst.		Size	Material						
7-1167-02	Harrington Park	8	LCI	1956	679	8	DI	\$93,000			Distribution	Replacement	Only curb-to-curb paving restoration costs.
46-36897-01	Harrington Park	6	CI	1965	679	8	DI	\$79,200			Distribution	Replacement	Only curb-to-curb paving restoration costs.
31-24902-02	Bergenfield	6	CI	1928	750	8	DI	\$102,750			Distribution	Replacement	Only curb-to-curb paving restoration costs.
14-27647-02	Dumont	6	CI	1925	1,310	8	DI	\$71,900			Distribution	Replacement	Only curb-to-centerline paving restoration costs.
6-36856-02	Rutherford	12	CI	1963	1,150	16	DI	\$65,000			Distribution	Replacement	Only curb-to-trench paving restoration costs.
13-36839-05	Wood Ridge	6	CI	1929	1,098	8	DI	\$61,000			Distribution	Replacement	Only curb-to-centerline paving restoration costs.
24-27256-01	Cliffside Park	6	CI	1904	748	8	DI	\$42,000			Distribution	Replacement	Only curb-to-centerline paving restoration costs.
2-36870-03	North Bergen	6	CI	1927	1,308	8	DI	\$72,000			Distribution	Replacement	Only curb-to-centerline paving restoration costs.
42-27787-01	Hackensack	6	CI	1962	334	8	DI	\$28,000			Distribution	Replacement	Only curb-to-centerline paving restoration costs.
388-P1958-081	Lambertville	4	CI	Unknown	595	8	DI	\$218,750			Distribution	Replacement	
388-P1958-097	Lambertville	4	CI	Unknown	980	8	DI	\$350,000			Distribution	Replacement	
388-P1958-138	Lambertville	4	CI	Unknown	870	8	DI	\$675,000			Distribution	Replacement	
35-7311-02	Bergenfield	6	CI	1925	1,000	8	DI	\$350,000			Distribution	Replacement	
10-1194-02	Cliffside Park	6	CI	1900	450	6	DI	\$157,500			Distribution	Replacement	
11-5261-01	Edgewater	6	CI	1916	150	8	DI	\$162,000			Distribution	Replacement	
2-2880-01	North Bergen	6	CI	1908	1,220	8	DI	\$427,000			Distribution	Replacement	

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Project ID		Equipment			Length	Equipment Class		Est. Cost	Replacement Date	Replacement Reason	Replacement Type	Comments
Asset ID	Location	Size	Material	Year/Spec		Size	Material					
2-1147-01	North Bergen	6	CI	1900	380	8	DI	\$133,000		Distribution	Replacement	
2-2040-03	North Bergen	6	CI	1906	390	8	DI	\$136,500		Distribution	Replacement	
	Various							\$2,320,000		Distribution	Replacement	
	Various							\$893,000		Distribution	Replacement	
8-4928-03	Carlstadt	6	CI	1915	240	8	DI	\$93,600	02/24/2007	Distribution	Replacement	
47-26279-01	Closter	8	LCI	1964	498	12	DI	\$229,080	02/24/2007	Distribution	Replacement	
47-26165-01	Closter	6	LCI	1964	550	8	DI	\$214,500	02/24/2007	Distribution	Replacement	
39-1887-35	Cresskill	6	CI	1905	520	8	DI	\$202,800	02/24/2007	Distribution	Replacement	
38-1954-15	Dumont	6	CI	1905	310	8	DI	\$120,900	02/24/2007	Distribution	Replacement	
42-27787-01	Dumont	6	CI/DI	1962-68	644	8	DI	\$251,160	02/24/2007	Distribution	Replacement	
7-1167-02	E. Rutherford	6	CI	1900	418	8	DI	\$163,020	02/24/2007	Distribution	Replacement	
23-11051-28	Fort Lee	6	CI	1929	255	8	DI	\$99,450	02/24/2007	Distribution	Replacement	
23-3395-01	Fort Lee	6	CI	1904-10	800	8	DI	\$312,000	02/24/2007	Distribution	Replacement	
23-25554-01	Fort Lee	6	LCI	1963	720	8	DI	\$280,800	02/24/2007	Distribution	Replacement	
21-1201-01	Hackensack	6	CI	1901	523	8	DI	\$203,970	02/24/2007	Distribution	Replacement	
24-27256-01	Hackensack	6	LCI	1966	265	8	DI	\$103,350	02/24/2007	Distribution	Replacement	
59-25157-02	Montvale	6	LCI	1962	680	8	DI	\$265,200	02/24/2007	Distribution	Replacement	

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Project Information		Organization			Length	Pipe Material		Est. Cost	Proposed Start Date	Proposed End Date	General Notes	Comments
Project ID	Location	Size	Material	Year Began		Size	Material					
3-574-01	Union City	6	CI	1895	261	8	DI	\$101,790	2016-2017	2017-2018	Distribution	Replacement
5-12079-01	W. New York	6	CI	1917-31	600	8	DI	\$234,000	2016-2017	2017-2018	Distribution	Replacement
5-635-02	W. New York	6	CI	1895	1,180	8	DI	\$460,200	2016-2017	2017-2018	Distribution	Replacement
40-27521-01	Washington Township	6	DI	1964	550	8	DI	\$214,500	2016-2017	2017-2018	Distribution	Replacement
40-26664-03	Washington Township	6	LCI	1965	180	8	DI	\$70,200	2016-2017	2017-2018	Distribution	Replacement
25-25601-43	Bogota	4	CI	1963	1,815	6	DI	\$671,550	2016-2017	2017-2018	Distribution	Replacement
31-25860-01	Engelwood Cliffs	6	LCI	1963	1,495	8	DI	\$583,050	2016-2017	2017-2018	Distribution	Replacement
31-25153-03	Englewood Cliffs	6	LCI	1962	585	8	DI	\$228,150	2016-2017	2017-2018	Distribution	Replacement
388-P1958-124	Lambertville	4	CI	Unknown	850	8	DI	\$331,500	2016-2017	2017-2018	Distribution	Replacement
Great Gorge Terrace	Vernon Township	4	CI	Unknown	850	6	DI	\$314,500	2016-2017	2017-2018	Distribution	Replacement
10-4077-06	Cliffside Park	6	CI	1912	750	8	DI	\$292,500	2016-2017	2017-2018	Distribution	Replacement
23-24992-01	Fort Lee	6	CI	1957	1,000	8	DI	\$390,000	2016-2017	2017-2018	Distribution	Replacement
31-23320-01	Englewood Cliffs	6	CI	1959	1,080	8	DI	\$421,200	2016-2017	2017-2018	Distribution	Replacement
10-624-01	Cliffside Park	6	CI	1895	800	8	DI	\$312,000	2016-2017	2017-2018	Distribution	Replacement
12-214-02	Guttenberg	6	CI	1901	1,700	8	DI	\$663,000	2016-2017	2017-2018	Distribution	Replacement
23-2448-01	Fort Lee	6	CI	1907	738	8	DI	\$287,820	2016-2017	2017-2018	Distribution	Replacement
2-403-01	North Bergen	6	CI	1893	1,250	8	DI	\$487,500	2016-2017	2017-2018	Distribution	Replacement

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Asset Identifier		Capacity			Length	Pressure Class		Est. Cost	Asset Class	Type of Asset	Asset Status	Notes
ID	Location	Size	Material	Year Bld		Size	Material					
2-4406-01	North Bergen	6	CI	1913	750	8	DI	\$292,500	Distribution	Replacement		
16-24545-01	Ridgefield	6	CI	1961	900	8	DI	\$351,000	Distribution	Replacement		
23-26762-02	Fort Lee	6	CI	1965	385	8	DI	\$150,150	Distribution	Replacement		
2-1108-05	North Bergen	6	CI	1900	1,000	8	DI	\$350,000	Distribution	Replacement		
2-1261-01	North Bergen	6	CI	1901	390	8	DI	\$136,500	Distribution	Replacement		
2-1264-01	North Bergen	6	CI	1901	380	8	DI	\$133,000	Distribution	Replacement		
49-12639-21	River Vale	12	CI	1932	1,000	16	DI	\$425,000	Transmission	Replacement		
	Various							\$2,244,000	Distribution	Replacement		
	Various							\$791,000	Distribution	Replacement		
22-25540-01	Palisades Park	6	CI	1962	800	8	DI	\$312,000	Distribution	Replacement		
23-6241-02	Fort Lee	12	CI	1922	1,650	12	DI	\$759,000	Transmission	Replacement		
2-6899-01	North Bergen	6	CI	1924	1,310	8	DI	\$510,900	Distribution	Replacement		
24-12053-16	Hackensack	8	CI	1931	1,500	12	DI	\$736,000	Distribution	Replacement		
24-2875-01	Hackensack	6	CI	1908	1,600	8	DI	\$624,000	Distribution	Replacement		
22-20180-04	Palisades Park	6	LCI	1954	2,015	8	DI	\$785,850	Distribution	Replacement		
50-26084-01	Norwood	6	CI	1963	1,500	8	DI	\$585,000	Distribution	Replacement		
32-26189-07	Paramus	12	CI	1964	1,500	16	DI	\$765,000	Transmission	Replacement		

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Project Location		Original Data			Length	Proposed Pipe		Est Cost	Proposed to service City	Performance Class	General Material	Comments
Address	Town	Size	Material	Year Inst		Size	Material					
Baldwin Dr.	Vernon Township	2	Poly	Unknown	1,600	6	DI	\$592,000		Distribution	Replacement	
59-26132-05	Montvale	6	LCI	1964	1,247	8	DI	\$486,330		Distribution	Replacement	
59-23200-94	Montvale	8	CI	1959	1,350	12	DI	\$621,000		Distribution	Replacement	
2-646-01	North Bergen	6	CI	1895	1,200	8	DI	\$468,000		Distribution	Replacement	
10-197-20	Cliffside Park	8	CI	1890	950	12	DI	\$437,000		Distribution	Replacement	
40-27066-03	Washington Township	6	CI	1966	1,650	8	DI	\$643,500		Distribution	Replacement	
3-1849-01	Union City	6	CI	1905	766	8	DI	\$298,740		Distribution	Replacement	
3-2000-02	Union City	6	CI	1906	962	8	DI	\$375,180		Distribution	Replacement	
5-4100-01	West New York	6	CI	1912	700	8	DI	\$273,000		Distribution	Replacement	
21-201-08	Ridgefield Park	8	CI	1891	1,100	12	DI	\$506,000		Distribution	Replacement	
23-25554-03	Fort Lee	8	CI	1963	1,250	12	DI	\$575,000		Distribution	Replacement	
7-26694-04	East Rutherford	8	CI	1965	800	8	DI	\$312,000		Distribution	Replacement	
14-7180-03	Moonachie	6	CI	1924	1,200	8	DI	\$468,000		Distribution	Replacement	
22-25377-01	Palisades Park	6	CI	1962	800	8	DI	\$312,000		Distribution	Replacement	
	Various							\$2,295,000		Distribution	Replacement	
	Various							\$793,000		Distribution	Replacement	
59-25485-01	Montvale	6	CI	1962	1,700	8	DI	\$663,000	12/31/2010	Distribution	Replacement	

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Asset ID	Location	Type	Material	Year	Capacity		Status	Value	Date	Action	Replacement
					MGD	MGD					
50-25041-09	Norwood	6	CI	1962	1,700	8	DI	\$663,000	12/31/2019	Distribution	Replacement
54-25088-02	Northvale	8	CI	1962	1,750	12	DI	\$805,000	12/31/2019	Distribution	Replacement
2-3397-01	North Bergen	6	CI	1910	500	8	DI	\$195,000	12/31/2019	Distribution	Replacement
2-5983-01	North Bergen	6	CI	1920	500	8	DI	\$195,000	12/31/2019	Distribution	Replacement
41-25285-01	Emerson	6	CI	1962	1,350	8	DI	\$526,500	12/31/2019	Distribution	Replacement
59-25157-09	Montvale	6	CI	1962	500	8	DI	\$195,000	12/31/2019	Distribution	Replacement
32-17222-01	Paramus	6	LCI	1949	1,145	8	DI	\$446,550	12/31/2019	Distribution	Replacement
32-27074-03	Paramus	6	LCI	1966	2,568	8	DI	\$1,001,520	12/31/2019	Distribution	Replacement
2-5190-01	North Bergen	6	CI	1916	650	8	DI	\$253,500	12/31/2019	Distribution	Replacement
388-P1958-076	Lambertville	4	CI	Unknown	660	8	DI	\$257,400	12/31/2019	Distribution	Replacement
Grandview	Vernon Township	2	Poly	Unknown	870	6	DI	\$321,900	12/31/2019	Distribution	Replacement
Sussex	Vernon Township	2	Poly	Unknown	1,300	8	DI	\$507,000	12/31/2019	Distribution	Replacement
31-26322-01	Englewood Cliffs	6	LCI	1964	250	8	DI	\$97,500	12/31/2019	Distribution	Replacement
40-26195-03	Washington Township	6	LCI	1964	2,742	8	DI	\$1,069,380	12/31/2019	Distribution	Replacement
40-26160-03	Washington Township	6	CI	1964	375	8	DI	\$146,250	12/31/2019	Distribution	Replacement
40-26664-01	Washington Township	6	LCI	1965	815	8	DI	\$317,850	12/31/2019	Distribution	Replacement
46-27113-03	Harrington Park	6	LCI	1966	435	8	DI	\$169,650	12/31/2019	Distribution	Replacement

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Asset ID	Location	Asset Information			Capacity (MGD)	Material		Estimated Cost	Replacement Date	Distribution	Replacement
		Year	Material	Year		Material					
59-27130-01	Montvale	6	LCI	1966	320	6	DI	\$118,400	12/31/2019	Distribution	Replacement
18-13186-01	Hasbrouk Heights	6	CI	1934	693	8	DI	\$270,270	12/31/2019	Distribution	Replacement
24-3153-02	Hackensack	6	CI	1909	1,610	8	DI	\$627,900	12/31/2019	Distribution	Replacement
31-25544-02	Englewoods Cliff	6	LCI	1962	1,800	8	DI	\$702,000	12/31/2019	Distribution	Replacement
53-21086-01	Old Tappan	8	LCI	1955	1,524	12	DI	\$701,040	12/31/2019	Distribution	Replacement
10-6136-01	Cliffside Park	6	CI	1921	828	8	DI	\$322,920	12/31/2019	Distribution	Replacement
50-3597-01	Norwood	6	CI	1910	735	8	DI	\$286,650	12/31/2019	Distribution	Replacement
4-4025-01	Weehawken	4&5	CI	1912	740	8	DI	\$288,600	12/31/2019	Distribution	Replacement
46-20224-02	Westwood	6	LCI	1954	615	8	DI	\$239,850	12/31/2019	Distribution	Replacement
34-25754-01	New Milford	6	LCI	1963	1,170	8	DI	\$456,300	12/31/2019	Distribution	Replacement
24-25181-01	Hackensack	6	LCI	1962	1,275	8	DI	\$497,250	12/31/2019	Distribution	Replacement
44-26215-01	Hillsdale	6	LCI	1964	770	8	DI	\$300,300	12/31/2019	Distribution	Replacement
50-27954-02	Norwood	6	DI	1968	920	8	DI	\$358,800	12/31/2019	Distribution	Replacement
15-26816-05	Little ferry	6	LCI	1965	1,330	8	DI	\$518,700	12/31/2019	Distribution	Replacement
32-26898-03	Paramus	6	LCI	1965	1,015	8	DI	\$395,850	12/31/2019	Distribution	Replacement
44-28252-08	Hillsdale	6	DI	1969	800	8	DI	\$312,000	12/31/2019	Distribution	Replacement
2-2085-01	North Bergen	6	CI	1906	1,572	8	DI	\$613,080	12/31/2019	Distribution	Replacement

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Project Information		Description			Volume	Regulation		Budget	Effective Date	Distribution Class	Replacement Class	Comments
Asset ID	Location	Code	Material	Year		Start	End					
	Various							\$2,341,000	12/31/2019	Distribution	Replacement	
	Various							\$794,000	12/31/2019	Distribution	Replacement	
13-8560-07	Woodcliff Lake	6	CI	1927	1,200	8	DI	\$468,000		Distribution	Replacement	
3-74-01	Union City	8	CI	1889	370	12	DI	\$170,200		Distribution	Replacement	
32-22769-01	Paramus	6	LCI	1958	750	8	DI	\$292,500		Distribution	Replacement	
24-5433-02	Hackensack	6	CI	1917	1,151	8	DI	\$448,890		Distribution	Replacement	
29-6388-39	Teaneck	6	CI	1922	545	8	DI	\$212,550		Distribution	Replacement	
3-981-01	Union City	6	CI	1882	1,324	8	DI	\$516,360		Distribution	Replacement	
33-391-08	River Edge	6	CI	1893	515	8	DI	\$200,850		Distribution	Replacement	
49-21122-08	River Vale	6	LCI	1955	1,951	8	DI	\$760,890		Distribution	Replacement	
50-24612-03	Norwood	6	LCI	1961	2,145	8	DI	\$836,550		Distribution	Replacement	
16-22021-01	Ridgefield	6	LCI	1957	1,620	8	DI	\$631,800		Distribution	Replacement	
10-3437-01	Cliffside Park	6	CI	1910	910	8	DI	\$354,900		Distribution	Replacement	
23-8649-01	Fort Lee	6	CI	1927	1,535	8	DI	\$598,650		Distribution	Replacement	
30-26451-01	Englewood	6	LCI	1964	1,335	8	DI	\$520,650		Distribution	Replacement	
37-26337-01	Oradell	6	LCI	1964	220	8	DI	\$85,800		Distribution	Replacement	
18-3951-01	Hasbrouk Heights	6	CI	1912	492	8	DI	\$191,880		Distribution	Replacement	

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Asset Location		Original Info			Length	Capacity (GPD)		Est. Cost	Imprested Capital Cost	Replacement (Est.)	Replacement Method	Comments
Asset ID	Location	Size	Material	Year		Size	Material					
10-9391-01	Cliffside Park	6	CI	1928	1,738	8	DI	\$677,820		Distribution	Replacement	
36-10927-05	Tenafly	6	CI	1929	1,162	8	DI	\$453,180		Distribution	Replacement	
53-26248-01	Old Tappan	6	LCI	1964	770	8	DI	\$300,300		Distribution	Replacement	
44-27171-01	Hillsdale	6	LCI	1966	525	8	DI	\$204,750		Distribution	Replacement	
15-25632-01	Little ferry	6	LCI	1963	1,006	8	DI	\$392,340		Distribution	Replacement	
34-20311-04	New Milford	6	LCI	1954	858	8	DI	\$334,620		Distribution	Replacement	
2-3531-01	North Bergen	6	CI	1910	1,380	8	DI	\$538,200		Distribution	Replacement	
21-1965-01	Ridgefield Park	6	CI	1905	1,375	8	DI	\$536,250		Distribution	Replacement	
32-25588-01	Paramus	6	LCI	1963	615	8	DI	\$239,850		Distribution	Replacement	
16-3125-01	Ridgefield	6	CI	1909	450	8	DI	\$175,500		Distribution	Replacement	
45-26766-02	Westwood	6	LCI	1965	685	8	DI	\$267,150		Distribution	Replacement	
32-17326-01	Paramus	6	LCI	1949	1,620	8	DI	\$631,800		Distribution	Replacement	
14-15934-01	Moonachie	6	LCI	1945	2,958	8	DI	\$1,153,620		Distribution	Replacement	
33-15786-03	River Edge	6	LCI	1942	1,872	8	DI	\$730,080		Distribution	Replacement	
388-P1958-081	Lambertville	4	CI	Unknown	350	8	DI	\$136,500		Distribution	Replacement	
388-P1958-143	Lambertville	2	CI	Unknown	300	6	DI	\$111,000		Distribution	Replacement	
Blueberry Lane	Vernon Township	2	Poly	Unknown	1,200	6	DI	\$444,000		Distribution	Replacement	

SUEZ Water New Jersey 2016-2020 DSIC Foundational Filing

Asset ID	Regulatory System		Pipe Material			Length	Project Plan		Est. Cost	Anticipated Re-Construction Date	Replacement Criteria	Replacement Method	Comments
	Township	Size (Inches)	Material	Year/Phase	Start		End						
Sammis	Vernon Township	2	Poly	Unknown	1,300	6	DI	\$461,000		Distribution	Replacement		
	Various							\$2,995,000		Distribution	Replacement		
	Various							\$796,000		Distribution	Replacement		

*Additional projects have been identified and will be taken from the Master Plan List in Appendix 2.

**SUEZ Water New Jersey regularly conducts additional testing throughout its system to test the hydraulic capacity of its mains. Should areas of decreased flow and hydraulic capacity be discovered, projects may be adjusted to ensure

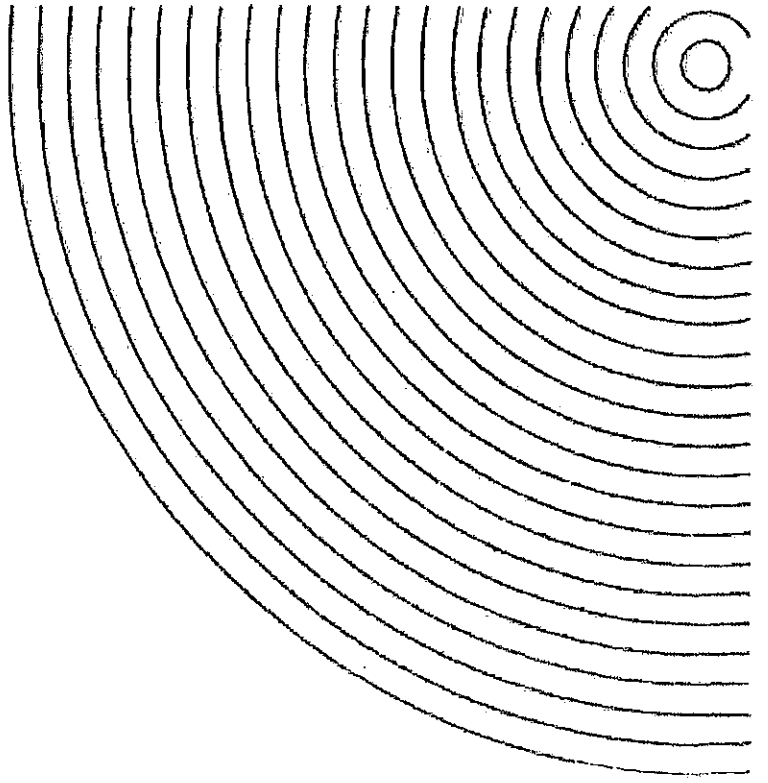


This project category consists of various projects which require the Company to rehabilitate certain existing water mains in the distribution system to improve system efficiency and fire flow. SUEZ routinely cleans and lines about \$500,000 to \$2,000,000 of existing water mains a year as a result of low pressure and flow issues and discolored water complaints. SUEZ works with municipalities, highway and public transit agencies for each project to control costs and customer impacts. Based on previous years' expenditures, the Company anticipates costs for the upcoming years in the table below.

2016	\$	-
2017	\$	2,335,000
2018	\$	2,342,000
2019	\$	2,342,000
2020	\$	2,349,000

This project category consists of various projects which require the Company to replace certain existing valves in the distribution system to improve operability and system integrity. SUEZ routinely replaces about \$1,000,000 to \$1,500,000 of existing valves a year and focuses on maintenance in critical areas. SUEZ works with municipalities, highway and public transit agencies for each project to control costs and customer impacts. Based on previous years' expenditures, the Company anticipates costs for the upcoming years in the table below.

2016	\$	1,313,000
2017	\$	1,270,000
2018	\$	1,299,000
2019	\$	1,325,000
2020	\$	1,355,000



Blanket Structured Projects 2016-2020

Revised 6/9/16

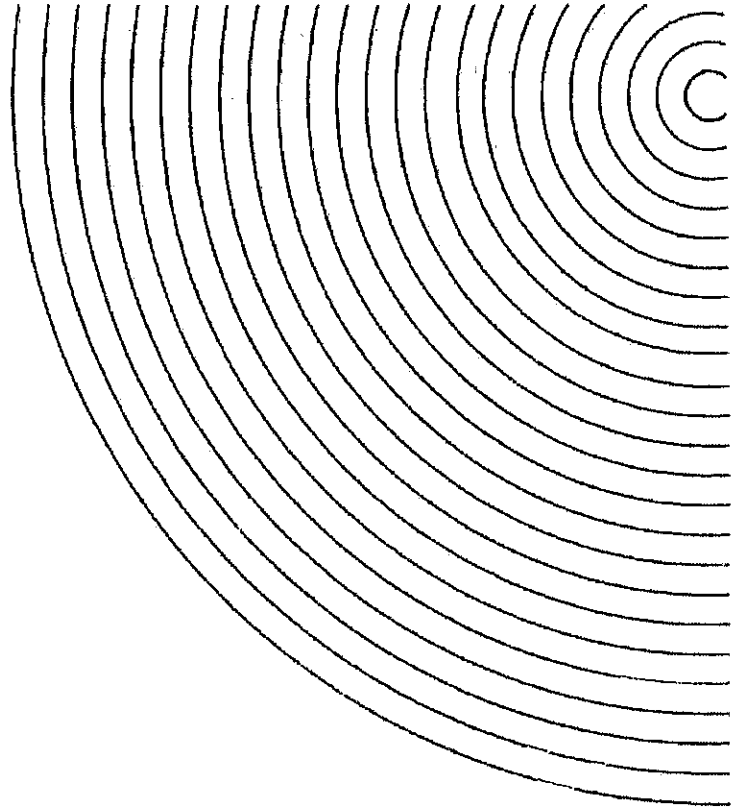


SUEZ Water New Jersey has approximately 15,600 hydrants in its system. Replacements are determined based on which hydrants are damaged or un-repairable to remain in service. Over the past five years, SUEZ Water New Jersey has averaged \$2.125M per year in costs to replace hydrants under its D501 blanket project set up. Anticipated costs for the upcoming years are in the table below.

2016	\$ 2,582,000
2017	\$ 2,498,000
2018	\$ 2,554,000
2019	\$ 2,606,000
2020	\$ 2,666,000

SUEZ Water New Jersey has approximately 190,000 domestic and fire service lines. These projects replace leaking, deteriorated, and un-repairable domestic and services, including replacement of services in conjunction with planned water main replacement projects. These replacements are a part of SUEZ's effort to manage, control and reduce its Non-Revenue Water in the system by aggressively locating and replacing leaking or deteriorated services. Historically, the Company replaces between 1,000 and 1,100 domestic services a year. It is anticipated that this number will be increased dramatically. The Company has averaged approximately \$5.7 M in spending over the past five years. Anticipated costs for the upcoming years are in the table below.

2016	\$ 6,872,000
2017	\$ 7,224,000
2018	\$ 7,388,000
2019	\$ 7,536,000
2020	\$ 7,710,000



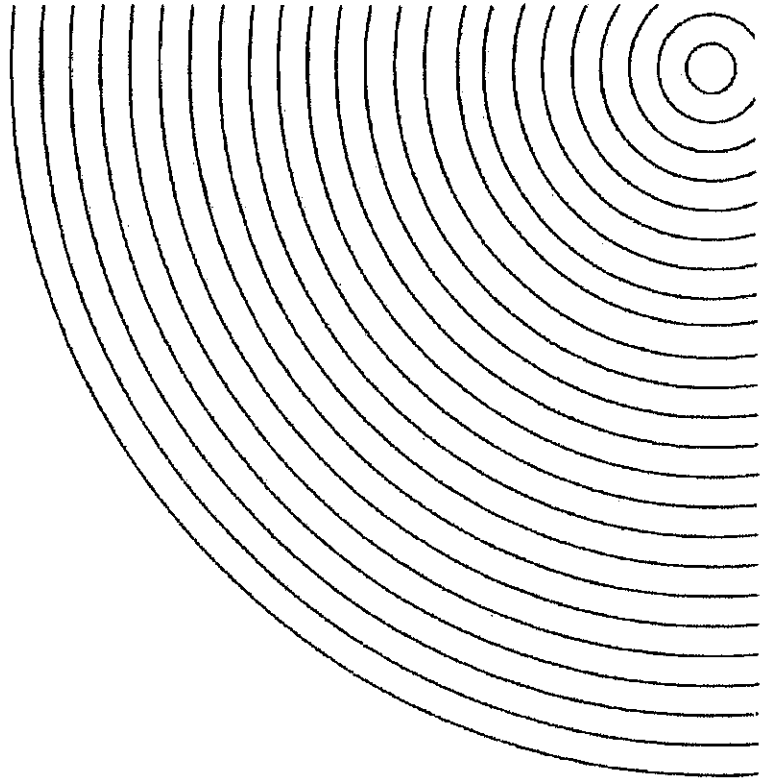
Appendix 1

**SUEZ Water New Jersey
Master Plan 2016:**

**Chapter 7 – Transmission &
Distribution**

***Confidentiality is required for this Appendix due to sensitive
information relating to systems operations**





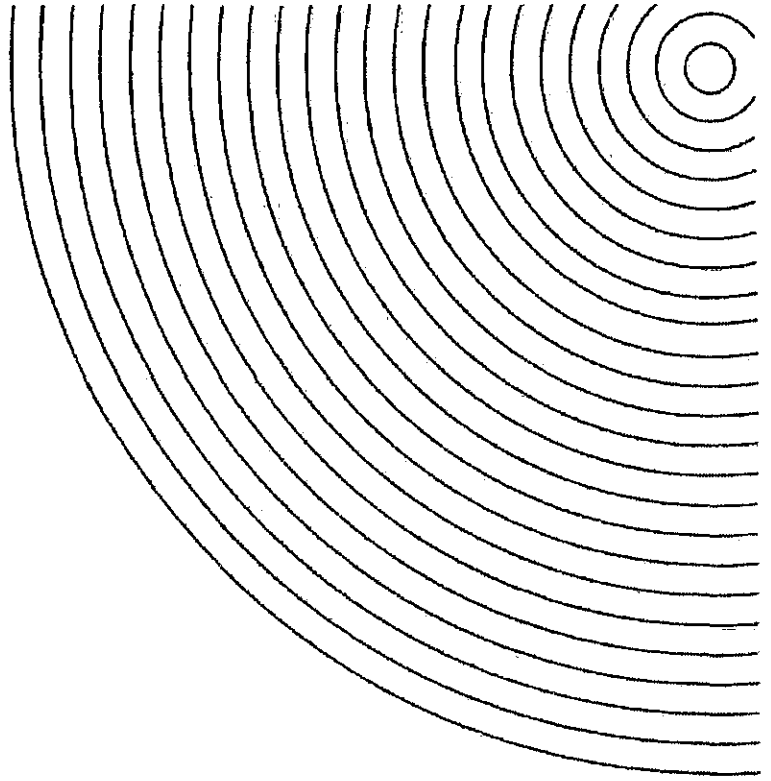
Appendix 2

**SUEZ Water New Jersey
Master Plan 2016:**

Main Break Analysis Table

***Confidentiality is required for this Appendix due to sensitive information relating to systems operations**





Appendix 3

SUEZ Water New Jersey Service Area Map



SUEZ Water New Jersey Inc.
DSIC Foundational Filing
DSIC Assessment Schedule

Exhibit P-3

	Total Units	Meter Equivalent Ratios	Equivalent 5/8" inch Meters	Maximum DSIC Amount by equivalent Meter	Maximum Monthly Charge per Meter
Metered Sales:					
5/8"	167,766	1.00	167,766	\$6,945,512	\$3.45
3/4"	9,382	1.50	14,073	582,059	5.17
1"	10,850	2.50	27,125	1,123,626	8.63
1 1/2"	2,893	5.00	14,465	598,504	17.24
2"	2,640	8.00	21,120	874,368	27.60
3"	789	15.00	11,835	489,969	51.75
4"	445	25.00	11,125	460,575	86.25
6"	215	50.00	10,750	445,050	172.50
8"	5	80.00	400	16,560	276.00

<u>194,985</u>	<u>278,659</u>	<u>\$11,536,223</u> [1]
		<u>\$11,536,298</u>

[1] Amount per Attachment B, Proof of Revenues, Stipulation in Docket WR15101177

41.39934 [2]

3.4499
\$230,725,961

Five percent "DSIC Cap" per 44 NJR 1723(a)

X 5%

Maximum amount of Annual DSIC Revenues

\$11,536,298

[2] Amount per equivalent meter (\$11,536,298 / 278,659)

NOTICE OF PUBLIC HEARING SUEZ WATER NEW JERSEY, INC.

NOTICE OF FILING OF A PETITION FOR APPROVAL OF A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

BPU Docket No. WR16040303

PLEASE TAKE NOTICE that on April 18, 2016, SUEZ Water New Jersey, Inc. (the "Company"), pursuant to N.J.A.C. 14:9-10.1 et seq., filed a Petition with the Board of Public Utilities (the "Board" or "BPU") of the State of New Jersey seeking approval of a Foundational Filing to implement a Distribution System Improvement Charge ("DSIC"). A DSIC is a rate recovery mechanism to encourage and support accelerated rehabilitation and replacement of certain non-revenue producing, critical water distribution components. Its purpose is to enhance safety, reliability, water quality, systems flows and pressure, and/or conservation. A DSIC rate is interim, subject to refund, until the subsequent base rate case.

The Company's Petition consists of a Foundational Filing. The Foundational Filing lists the proposed projects from 2016 through 2020. If the Foundational Filing is approved, the Company will be required to file a base rate case within three years of the effective date of the Foundational Filing. Please note that the Company proposes to collect a maximum DSIC revenue requirement of \$11,536,298 annually. 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.

The Company has proposed that the monthly DSIC surcharge be assessed to the following services and classes of customers based on the customer's meter size: General Metered Service. The maximum proposed rates shown below are expected to be assessed incrementally over a two-to-three year period,

commensurate with the Company's actual DSIC program capital spending.

Any relief determined by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers of the Company in such manner and, in such amounts or percentages, as the Board may deem appropriate. The Board may choose to impose a greater portion of the increase on any present or future class or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount of percentage increase applicable to any of the foregoing. The maximum proposed monthly DSIC rates are contained in the Petition filed with the Board, as set forth below. These proposed rates are estimates and may change. However the maximum annual DSIC revenue requirement, \$11,536,298, cannot be exceeded.

PROPOSED DSIC SURCHARGE RATES BASED ON METER SIZE

General Metered Service
Maximum Monthly DSIC Surcharge:

Size of Meter	5/8" Equivalent*	Proposed Rates
5/8"	1.0	\$3.45
3/4"	1.5	\$5.17
1"	2.5	\$8.63
1-1/2"	5.0	\$17.24
2"	8.0	\$27.60
3"	15.0	\$51.75
4"	25.0	\$86.25
6"	50.0	\$172.50
8"	80.0	\$276.00
10"	115.0	\$396.75
12"	165.0	\$569.25

*Based on American Water Works Association flow rates. A 5/8" meter is equivalent to one unit, whereas a 1-inch meter is equivalent to 2.5 units based on the amount of water that will flow through the meter size.

PLEASE TAKE FURTHER NOTICE that a public hearing on the Company's Petition has been scheduled for:

Thursday July 7, 2016 at 5:30 p.m. at the Bergen County Board of Chosen Freeholders Meeting Room, 5th Floor, One Bergen County Plaza, Hackensack, New Jersey 07601.

A Hearing Officer designated by the Board will preside over the public comment hearing. Members of the public are invited to attend and express their views on the proposed DSIC mechanism. Such comments will be made a part of the final record in the proceeding. Written comments may be submitted to the Hon. Irene Kim Asbury, Secretary, Board of Public Utilities, 44 S. Clinton Avenue, 7th Floor, Trenton, New Jersey 08625. Please include Docket Number WR16040303 in your comment letter.

Notice of the Petition was also served on the Clerks of Municipalities, County Executives and the Clerks of the County Boards of Freeholders in the service area of the Company. Further information and copies of the Petition may be obtained at the Board's offices located at 44 S. Clinton Avenue, 7th Floor, Trenton, New Jersey 08625 or at the Company's offices located at 400 From Road, Paramus, NJ 07652. The filing is available online at: www.mysuezwater.com.

Please submit any requests for special accommodation at least 72 hours prior to this hearing to SUEZ Water New Jersey, contact person: Gary Prettyman 201-784-7083.

ATTACHMENT B

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ATTACHMENT C

NOTICE OF PUBLIC HEARING SUEZ WATER NEW JERSEY, INC.

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