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### New Jersey American Water proposes rate increase

By John Barna

CHERRY HILL TWP. — New Jersey American Water has filed for new rates with the New Jersey Board of Public Utilities, which will increase the average customer's monthly water bill by \$7.10 or 23 cents per day.

American Water's New Jersey service area includes portions of Harrison and Logan townships. It serves a total of 2.5 million customers in the state.

As part of the rate filing, estimated to take nine months before a decision is reached, the company has proposed implementing residential water conservation programs, expanding assistance to low income customers and creating new rate structures that would encourage conservation and generate economic activity in New Jersey.

New Jersey American Water said it has spent approximately \$251 million in capital improvements since its last rate filing.

It is proposing a tiered-rate structure with the cost of water rising with usage.

A proposed pilot program for residential customers in portions of Monmouth County would implement a three-tier increasing block water rate structure on a seasonal basis from May through September. The first block applies to the first 4,000 gallons per month, the second block applies to the next 6,000 gallons per month, and the third block applies to usage above 10,000 gallons per month. The cost per gallon would increase with each rate block. The typical New Jersey residential household uses 7,000 gallons of water each month. The utility said the program would allow it to send the appropriate pricing signals to customers regarding their water usage, as well as determine whether these price signals have an impact on customer usage.