

Read All About It... Online!

NJUSA sponsors have informative websites with information on priority issues and current developments. The depth and breadth of their sites can be a little daunting, so, as NJUSA begins sharing information via email, look for web links to find more details. The below links to NJUSA sponsor's sites can be useful whether you are an investor and/or a customer. However, if you want to receive electronic communications from us and haven't already done so, please send Karen your email address at kalexander@njusa.us. NJUSA's newsletter will also be online, so you can click on the sites below through the newsletter at <http://njusa.us>.

American Water/New Jersey American Water

- News: <https://www.amwater.com/press-room/> and <https://www.amwater.com/press-room/press-releases/?region=new-jersey>
- Investor Relations: <https://ir.amwater.com/ir-home/default.aspx>
- Regulatory Filings: <https://www.amwater.com/njaw/customer-service-billing/your-water-and-wastewater-rates/>

New Jersey Resources/New Jersey Natural Gas

- News: <https://investor.njresources.com/news/default.aspx>
- Investor Relations: <https://investor.njresources.com/home/default.aspx>
- Regulatory Filings: <https://www.njng.com/regulatory>

Public Service Enterprise Group/PSE&G

- News: <https://corporate.pseg.com/newsroom#anchor0> and <https://nj.pseg.com/newsroom>
- Investor Relations: <https://investor.pseg.com/home/default.aspx>
- Regulatory Filings: <https://nj.pseg.com/aboutpseg/regulatorypage/regulatoryfilings>

QUESTIONS? CONTACT US AT: 856.840.4187 OR MEMBERSHIP@NJUSA.US
FOR MORE INFORMATION ON NJUSA, VISIT: WWW.NJUSA.US



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NJUSA Insight

PSE&G Seeks Approval to Invest \$848 Million to Further Modernize Electric and Gas Infrastructure

On November 4, 2021, Public Service Electric and Gas Company (PSE&G) submitted a petition to the NJ Board of Public Utilities (NJBPU) seeking approval of an Infrastructure Advancement Program (IAP). The IAP would be over a four-year period with a capital investment of approximately \$848 million. The scope of the IAP would include the replacement of aging overhead and underground electrical equipment, modernization of electric distribution substation equipment, upgrading of gas metering and regulating stations, and installation of electric vehicle infrastructure to support PSE&G's

transition to an electric fleet. The IAP would support the furtherance of New Jersey's Clean Energy Goals and augment PSE&G's clean energy investments already underway. The IAP is intended to improve last mile reliability while supporting the electrification of the transportation sector and increased use of distributed energy resources as New Jersey has outlined in its Energy Master Plan. The IAP proposal includes twelve electric projects with an investment of approximately \$708 million and one gas project

with an investment of approximately \$140 million.

PSE&G proposes to recover the costs of these projects and earn a return on and of the investments consistent with the mechanisms approved in its last base rate case.

The program is subject to the review and ultimate approval of the NJBPU with input from the NJ Rate Counsel and interested third parties.

A MESSAGE FROM THE PRESIDENT

Dear NJUSA Members,

Happy 2022! I sincerely hope that you and those you hold dear are faring well!

NJUSA is hopeful that we will see the end of the pandemic sometime this year sufficient to again gather for our educational luncheon events. We are closely monitoring developments in New Jersey and will consult with NJUSA's Board and Sponsors to determine when events might be advisable. Like me, many of our members are over 65, so we will certainly take that and the possible desire for greater precautions into account. Fingers crossed that we can enjoy each other's company again later this year, most likely in summer.

This year, in addition to communicating with you via our newsletter, we will rely on email to keep you informed on a more timely basis of developments that can affect the value of utility investments. In 2015, in NJUSA's first member recruitment letter, we asked whether you preferred U.S. Mail or email as our primary means of communicating with you. Many preferred the postal service. Now, given the cost and sometimes inconsistent delivery of mail, and the challenges to meeting in person for now, we would like your permission to communicate via email. Many have already responded to the request we made with 2022 dues invoices for email addresses and we thank you! If you do not have email or do not wish to share at this time, we understand. However, if you want to here from us more frequently, but have not already sent us your email address, please send it to me at kalexander@njusa.us. We promise not to abuse the privilege and clog your inbox!

NJUSA cannot achieve its mission to educate and advocate on behalf of our members on issues that affect the value of utility shares without the ability to keep you informed. We are deeply grateful for your continued support and cooperation as we adapt to a new "normal!"

Best of health and good fortune to you all. I look forward to seeing you later this year.

Sincerely (and with fingers crossed!),

Karen D. Alexander
President

Recent Regulatory Filings

On January 14, 2022, **New Jersey American Water (NJAW)** filed a petition with the NJ Board of Public Utilities (NJBPU) for new rates based on significant investments made or planned for its water and wastewater infrastructure since its last rate case. The proposed rate increase is driven primarily by capital investments required to maintain and improve the company's infrastructure and enable the continuous provision of safe and reliable service. Since its last approved rate increase, NJAW has invested, or will invest, approximately \$985 million in capital expenditures through the end of 2022. Nearly 68 percent of the Company's proposed revenue increase is driven by investment in its New Jersey infrastructure.

On the Move...

American Water announced president and CEO Walter Lynch retired from the company, effective February 2, 2022. Susan Hardwick was appointed by the Board of Directors as president and CEO to replace Lynch. Hardwick served as American Water's Chief Financial Officer and will continue in that role until her replacement is named. The Board also elected Hardwick to serve on American Water's Board of Directors. The Company also announced that James Gallegos was named Executive Vice President and General Counsel, effective April 1. Gallegos replaces Mike Sgro, who retired in February. Gallegos most recently served as Executive Vice President, General Counsel and Corporate Secretary of Alliant Energy Corporation. The Company has also named a new Director of Investor Relations, Aaron Musgrave.

New Jersey Resources (NJR) has announced a series of executive and senior leadership promotions and changes. Patrick Migliaccio was named Senior Vice President and Chief Operating Office of New Jersey Natural Gas while Roberto Bel was promoted to Senior Vice President and Chief Financial Officer of NJR. Sean Annitto has succeeded Vice President Timothy Shea, who has retired from NJR Energy Services, and will lead NJR's unregulated wholesale natural gas marketing business. In addition, Robert Pohlman was promoted to Vice President of Strategy, Communications, Government Relations and Policy of NJR and Daniel Sergott was promoted to Treasurer of NJR.

Major 2021 New Jersey Utility Regulatory/Legislative Developments

On November 17, **New Jersey Natural Gas** was granted approval of new rates by the NJ Board of Public Utilities (NJBPU). NJNG will now recover the costs associated with ongoing operations and major infrastructure investments, including: an emissions-reducing green hydrogen project, the Southern Reliability Link (SRL), a new safety training facility and other system enhancements. The SRL is a regional intrastate 30-mile-long natural gas pipeline now in operation that enables the utility to enhance significantly the delivery of safe and reliable service to customers in Monmouth, Ocean and Burlington counties, including Joint Base McGuire-Dix-Lakehurst. The regional pipeline also provides a new interconnection with an interstate pipeline which bolsters its capability to ensure future gas supplies.

NJBPU Approves 2nd Three-Year Zero Emission Credit (ZEC) to support continued operation of PSEG's Salem County nuclear plants. The company demonstrated successfully to the NJBPU that the extension of the subsidy was necessary to support continued operation of its nuclear facilities which would otherwise be uneconomical to run. Nuclear energy delivers more than 90 percent of all of the state's carbon-free energy and is essential to New Jersey's ability to successfully achieve its goal of 100 percent carbon-free energy supply by 2050, as outlined in the state's Energy Master Plan. The approval was granted notwithstanding opposition from the NJ Rate Counsel, which continues its opposition in court. The ZEC 2 will extend support to PSEG's plants from June 2022 to June 2025.

The New Jersey Legislature passed a lead service line replacement bill that was signed by Governor Murphy in July. A5343 (now P.L. 2021, Chapter 183) requires the inventory and replacement of lead service lines in publicly and investor-owned water systems across the State within 10 years. The new law will enable more rapid replacement of drinking water service lines containing lead. Lead in drinking water is a major public health concern, especially when ingested by infants, young children and babies in utero who can suffer neurological damage and significant learning disabilities. Communities with aging housing stock and many schools have older service lines made with materials that can leach lead into drinking water without the consumer knowing it. The law authorizes investor-owned water utilities, like NJUSA sponsor New Jersey American Water, to seek recovery of the costs to replace customer-owned service lines from the NJBPU. Many people are unaware that water and wastewater facilities between the utility's meter (typically at the curb) and customer premises are the responsibility of the property owner. The Legislation requires water utilities to inventory and replace lead service lines irrespective of ownership because most customers do not have the technical or financial wherewithal to do it themselves. However, other problems on the customers' premises, such as hits to or bursting pipes causing leaks or flooding indoors or outdoors continues to be the responsibility of the customer.

Just for Fun... Test Your Utility Knowledge

1. The picture shown to the right is a:
A) Smoke stack B) Grain elevator C) Cooling tower
2. There are ___ publicly traded utilities in New Jersey:
A) 5 B) 11 C) 16
3. The ticker symbol for American Water is:
A) AMW B) AWK C) AWW
4. The longest operating investor-owned utility in NJ is:
A) PSE&G B) Middlesex Water C) Rockland Electric
5. Which of the following statements is true:
A) South Jersey Gas provides service in south Jersey and Pennsylvania
B) New Jersey Natural Gas is a subsidiary of PSEG
C) "Green energy" is energy from low or no carbon emitting sources



Answers: 1. C, 2. B, 3. B, 4. A, 5. C