

Aqua New Jersey, Inc.
Distribution System Improvement Charge Calculation - 6 Month DSIC Filing
Docket No. WR24010057
DSIC Recovery Period: May 1, 2024 to Feb 28, 2025

	May 2024 - Feb 2025
Eligible Investment (Qualified DSIC Additions to UPIS During DSIC Period)	\$ 21,912,802
Less: Accumulated Depreciation	\$ (123,758)
Less: Deferred Tax	\$ (20,028)
Eligible Net Investment (Net DSIC Additions to UPIS During DSIC Period)	\$ 21,769,017
Times Pre-Tax Rate of Return	8.44%
Pre-Tax Return on Investment	\$ 1,836,871
Add Depreciation	\$ 495,030
Under/(Over) Recovery	\$ -
Revenue Recovery	\$ 2,331,901
Revenue Factor	\$ 1.1721348
Current DSIC Revenue Requirement Recovery Amount - Annual	\$ 2,733,302
DSIC Rate Calculated	5.54%
Actual/Max DSIC Revenue Requirement Recovery Amount - Annual	\$ 2,468,337
Max DSIC Rate To Be Applied	5.00%
Effective Date of New DSIC Charge	5/8/2025

	Plant Balances as of 4/30/2024	Depreciation Rate	DSIC Base Spending Requirement
Account #343: Mains	\$ 193,712,250	1.64%	\$ 3,176,881
Account #345: Services	\$ 74,579,625	3.27%	\$ 2,438,754
Account #348: Hydrants	\$ 13,174,926	1.70%	\$ 223,974
	\$ 281,466,801		\$ 5,839,608
CIAC & CAC Mains	\$ (60,418,039)	1.42%	\$ (857,936)
CIAC & CAC Services	\$ (1,246,153)	1.42%	\$ (17,695)
CIAC & CAC Hydrants	\$ (186,278)	1.42%	\$ (2,645)
	\$ (61,850,470)		\$ (878,277)
			Base Spending Requirement \$ 4,961,332

	Date of Foundational Filing Submission	1/19/2024
	Date of Most Recent BPU Annual Report at the time the Foundational Filing was Submitted	12/31/2022
	Date of BPU Report Used for the Base Spending Calculation Above as per the Company's last Base Rate Case*	12/31/2023

(A) - Includes six months actual DSIC eligible projects closed to UPIS during DSIC Period

May 2024 - Feb 2025
\$ 21,912,802
May 2024 - Feb 2025
\$ 21,912,802
2.26%
\$ 495,030
\$ 123,758
\$ 123,758
May 2024 - Feb 2025
\$ 21,912,802
4.00%
\$ 219,128
\$ 123,758
\$ 95,371
\$ 20,028
\$ 20,028

(B) - Accumulated Depreciation:

DSIC Eligible projects closed to UPIS
Composite Depreciation rate
Annual Depreciation Expense
1/2 Year Convention (for first 6 months)
Running Accumulated Depreciation Total

(C) - Deferred Taxes:

DSIC-eligible projects closed to UPIS
MACRS rate for 1st year water plant
Tax Depreciation 1st year
Book Depreciation
Tax Depreciation Greater than Book
Deferred Taxes at 21%
Running Accumulated Deferred Taxes at 21% Total

(D) - Pre-Tax Rate of Return:

	Ratios	Cost Rate	Weighted AVG Cost of Capital	Pre-Tax Rate of Return (Pre Tax Reform)	Pre-Tax Rate of Return (Post Tax Reform)
Long Term Debt	47.00%	4.25%	2.00%	2.00%	2.00%
Common Equity	53.00%	9.60%	5.09%	7.83%	6.44%
Subtotal Return on Rate Base	100.00%		7.09%	9.83%	8.44%

(E) - Revenue (Gross-up Factor)

Dollar of Revenue
Less: GRT Tax
Less: Bad Debts
Less: BPU Assessment
Less: DRC Assessment
Revenue remaining after taxes, bad debts, and assessments

\$ 1.1721348	(E)
\$ 1.0000000	
(0.1406250)	(per most recent assessment)
(0.0035980)	(per most recent base rate case)
(0.0021304)	(per most recent assessment)
(0.0005023)	(per most recent assessment)
\$ 0.8531442	

(F) - Revenue Requirement Recovery Amount:

Total Annual Revenues Established in Last Base Rate Case
DSIC Cap Percentage
DSIC Revenue Requirement Recovery Amount Cap
Current DSIC Revenue Requirement Recovery Amount - Annual
Actual/Max DSIC Revenue Requirement Recovery Amount - Annual

May 2024 - Feb 2025
\$ 49,366,736
5.00%
\$ 2,468,337
\$ 2,733,302
\$ 2,468,337

(G) - (Over)/Under Recovery Amount:

Allowed DSIC Revenue Requirement Recovery Amount - Annual
Allowed DSIC Revenue Requirement Recovery Amount - Monthly
Allowed DSIC Revenue Requirement Recovery Amount - Daily
Allowed DSIC Revenue Requirement Recovery Amount
Actual DSIC Revenue Requirement Recovery Amount Received
(Over)/Under Recovery Amount
(Over)/Under Recovery Amount including WACC Interest at 7.09% on (Over) Recovery Only

\$ 2,468,337
\$ 205,695
\$ 6,763
\$ 2,055,820
\$ -
\$ 2,055,820
\$ 2,090,022

(G)