

Connecticut Water Files Application With Connecticut Public Utilities Regulatory Authority (PURA) To Amend Rates

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- Application to recover more than \$135 million in drinking water and wastewater infrastructure investment that is not in current rates
- Expansion of financial assistance for income-eligible customers
- Reflection of higher operating and borrowing costs
- Subject to extensive review process by PURA with input from the Office of Consumer Counsel, the State Attorney General and the public

CLINTON, Conn.--(BUSINESS WIRE)-- The Connecticut Water Company announced the filing of an application to amend customer rates with the Connecticut Public Utilities Regulatory Authority (PURA).

The application begins a public process conducted by PURA, with the Office of Consumer Counsel (OCC) and the State Attorney General's (AG) office representing customers' interests in the proceeding. During the rate case, PURA, OCC and the AG will analyze and review the cost of providing water service to customers so rates can be set to reflect reasonable and prudent expenses. Customers and the public will have an opportunity to comment on the application. PURA has 270 days to review the application, and approved rates will go into effect soon after.

"The primary drivers of this request are the more than \$135 million of investments in our water and wastewater system infrastructure that have been made to ensure reliable service and high-quality drinking water for families and communities, and higher operating costs driven by inflation, neither of which are included in current water rates," said Craig J. Patla, president of Connecticut Water.

PURA regulation uses a historic test year, which means that utilities are only allowed to recover infrastructure investments after projects are completed and in service and PURA has determined they are providing a benefit to customers. Likewise, Connecticut Water is operating on expense levels reviewed and authorized in the last general rate case (GRC). Since the last GRC, the costs of energy, treatment chemicals, labor and borrowing have increased, but these costs are not recovered in rates for water service.

“We look forward to demonstrating to PURA and other stakeholders that we have made prudent decisions and are efficiently operating our business while delivering world-class service and a reliable supply of high-quality drinking water,” said Patla.

If the request is approved as proposed, annual revenues will increase by approximately \$21 million, or 18%, over current authorized revenues and would be effective on or about July 1, 2024. PURA will determine through the rate case process the actual level and distribution of any approved rate increase, but it is expected that the amount of the increase will vary based on location or rate division within the company and customer class — residential, commercial, industrial or municipal.

Among the numerous infrastructure investments made by the company are the following:

- Solar arrays in Clinton and Colchester that produce clean energy and reduce more costly energy purchases from the electric utility.
- A new, \$12 million groundwater treatment facility in East Windsor.
- A 5.3-mile interconnection between the water systems in Somers and Stafford, including a new pump station and tank, for redundancy and more robust long-term supply capability.
- 3,500 feet of new main to significantly improve water quality in Middlebury.
- A new 1-million-gallon storage tank in Plainfield.

Among the other proposals in the rate application are the following:

- Expanding the low-income Water Rate Assistance Program (WRAP) for eligible customers. Connecticut Water has offered a 15% discount on water bills through WRAP since 2021 and was the first water utility in the state to offer this type of program.
- To mitigate the impacts on municipal budgets in communities where Connecticut Water provides public fire protection through fire hydrants on its water systems, the proposed increase in public fire charges is 5% for most municipalities.

In addition to expanding WRAP, Connecticut Water is proposing to continue its H2O – Help 2 Our Customers assistance program, offering payment plans and financial assistance to eligible customers directly and through its partnership with Operation Fuel.

For more information on the rate application, visit www.ctwater.com/ratecase.

About Connecticut Water

The Connecticut Water Company, a wholly owned subsidiary of SJW Group (NYSE: SJW), is a public water utility that is regulated by the Connecticut Public Utilities Regulatory Authority. The company provides water service to more than 107,000 customers in 60 Connecticut towns and wastewater services to 3,000 customers in the town of Southbury, Connecticut.

The towns served are Ashford, Avon, Beacon Falls, Bethany, Bolton, Brooklyn, Burlington, Canton, Chester, Clinton, Colchester, Columbia, Coventry, Deep River, Durham, East Granby, East Haddam, East Hampton, East Windsor, Ellington, Enfield, Essex, Farmington, Griswold, Guilford, Haddam, Hebron, Killingly, Killingworth, Lebanon, Madison, Manchester, Mansfield, Marlborough, Middlebury, Naugatuck, Old Lyme, Old Saybrook, Oxford, Plainfield, Plymouth, Portland, Prospect, Simsbury, Somers, Southbury, South Windsor, Stafford, Stonington, Suffield, Thomaston, Thompson, Tolland, Vernon, Voluntown, Waterbury, Westbrook, Willington, Windsor Locks and Woodstock.

About SJW Group

SJW Group is among the largest investor-owned pure-play water and wastewater utilities in the United States, providing life-sustaining and high-quality water service to nearly 1.5 million people. SJW Group's locally led and operated water utilities – San Jose Water Company in California, The Connecticut Water Company in Connecticut, The Maine Water Company in Maine and SJWTX Inc. (dba The Texas Water Company) in Texas – possess the financial strength, operational expertise and technological innovation to safeguard the environment, deliver outstanding service to customers and provide opportunities to employees. SJW Group remains focused on investing in its operations, remaining actively engaged in its local communities and delivering continued sustainable value to its stockholders. For more information about SJW Group, please visit www.sjwgroup.com.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “strategy,” or “anticipates,” or the negative of those words or other comparable terminology. These forward looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict.

These forward-looking statements involve a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the effect of water, utility, environmental and other governmental policies and regulations, including actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures and other decisions; (2) changes in demand for water and other services; (3) the impact of the Coronavirus (“COVID-19”) pandemic on our business operation and financial results; (4) unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage; (5) climate change and the effects thereof; (6) unexpected costs, charges or expenses; (7) our ability to successfully evaluate investments in new business and growth initiatives; (8) contamination of our water supplies and damage or failure of our water equipment and infrastructure; (9) the risk of work stoppages, strikes and other labor-related actions; (10) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic, or similar occurrences; (11) changes in general economic, political, business and financial market conditions; (12) the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, changes in interest rates, compliance with regulatory requirements, compliance with the terms and conditions of our outstanding indebtedness, and general market and economic conditions; and (13) legislative and general market and economic developments. The risks, uncertainties and other factors may cause the actual results, performance or achievements of SJW Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. Other factors that may cause actual results, performance or achievements to materially differ are described in SJW Group’s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Forward-looking statements are not guarantees of performance, and speak only as of the date made. SJW Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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