



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

WATER

IN THE MATTER OF MIDDLESEX WATER)
COMPANY FOR APPROVAL OF AN) ORDER ADOPTING INITIAL
APPROVING INCREASE IN ITS RATES FOR) DECISION AND ORDER
WATER SERVICE AND OTHER TARIFF)
CHANGES) BPU DKT. NO. WR07040275
) OAL DKT. NO. PUCRL05663-2007N

(SERVICE LIST ATTACHED)

BY THE BOARD:

On April 18, 2007, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, and 14:9-7.1 et seq., Middlesex Water Company (Middlesex or Company), a public utility of the State of New Jersey, filed a petition with the Board seeking approval to: (1) increase its rates for water service; (2) improve and maintain its ongoing capital program so it can provide safe, adequate and proper service to all its customers; and (3) make the necessary findings for the future use of a purchased water adjustment clause (PWAC).

The Company provides water service on a retail basis to approximately 59,000 customers in the municipalities of South Plainfield, Metuchen, Carteret, Woodbridge, Edison, South Amboy and portions of Clark; on a contractual basis to the Township of Edison, the Boroughs of Highland Park and Sayreville, the Old Bridge Municipal Utilities Authority (OBMUA), and the Marlboro Township Municipal Utilities Authority (MTMUA); and on a special contract basis for water treatment and pumping services to the Township of East Brunswick (East Brunswick) (Collectively, Contract Customers). Included in the Contract Customers is a group of customers known as the South River Basin customers (SRB) whose members comprise the OBMUA, the MTMUA and the Borough of Sayreville (Sayreville).

With the exception of East Brunswick, Middlesex supplies the Contract Customers and the SRB customers with finished water. The Contract Customers and East Brunswick receive service that differs from that provided by Middlesex to its retail customers.

East Brunswick purchases water from the New Jersey Water Supply Authority and sends this unfinished water to Middlesex, which, in turn, treats the water and sends the finished water back to East Brunswick's facilities for distribution to its customers. The Contract Customers, including SRB customers, are provided with finished water that is treated by Middlesex. The

Contract Customers, including the SRB customers, asserted that they do not utilize Middlesex's transmission facilities in the provision of service by Middlesex.

The Company's rate request would have resulted in an increase in total Company revenues of approximately \$8.89 million or approximately 16.5% over adjusted test year present revenues for the period ending September 30, 2007. After extensive settlement discussions among the Company, the Division of Rate Counsel (Rate Counsel), MTMUA, East Brunswick, and Board Staff (collectively, the Parties), an increase of \$4,950,000 representing a 9.09% increase over current revenues, was agreed to by the Parties and is approved herein by this Order.

PROCEDURAL HISTORY

On May 7, 2007, the matter was transmitted to the Office of Administrative Law (OAL) and assigned to Administrative Law Judge (ALJ) Walter M. Braswell. On May 23, 2007, the Board entered an Order suspending the rates until October 1, 2007. A telephonic prehearing conference was conducted by ALJ Braswell on June 22, 2007, and a Pre-Hearing Order was issued on July 3, 2007.

After proper notice, a public hearing in the Company's service territory was held on September 11, 2007, in Woodbridge, New Jersey. No members of the public appeared to provide comments. On September 13, 2007, the Board issued a second Suspension Order suspending the proposed rates until February 1, 2008.

Intervenor status was granted to the MTMUA, OBMUA, and East Brunswick.

Subsequent to the public hearing, the Parties engaged in settlement negotiations. As a result of these negotiations, the Parties reached a stipulated settlement of all issues (Stipulation or Settlement). The OBMUA submitted a letter dated October 15, 2007 to the ALJ stating that counsel has: "recommended acceptance of the settlement by the Commissioners of the OBMUA and the matter will be on the agenda for their October 17, 2007 meeting."

On October 19, 2007, ALJ Braswell issued his Initial Decision recommending adoption of the Stipulation executed by the Parties, finding that the Parties had voluntarily agreed to the Settlement and that the Settlement fully disposes of all issues and was consistent with the law.

By letter dated October 22, 2007, Counsel for the Intervenor, Old Bridge Municipal Utilities Authority, submitted a letter to the Board Secretary stating that its client was not able to act on the proposed settlement at its October 17, 2007 meeting as initially anticipated. The matter was deferred to its November 7, 2007 meeting in order to ensure that absent Commissioners would have an opportunity to participate in the discussion and vote. The letter further stated that Counsel and the Executive Director for the OBMUA recommended acceptance of the proposed settlement, and had no reason to believe the vote will be unfavorable.

By letter dated October 23, 2007, Middlesex filed a Motion with the Board requesting implementation of the stipulated rates on an interim basis pursuant to N.J.S.A. 48:2-21.1. This Motion to implement rates on an interim basis would permit all parties to this proceeding to obtain the benefit of the settlement, while at the same time preserve the OBMUA's ability to act on the Stipulation in a formal, public meeting. The letter Motion also indicated that Rate Counsel and Counsel for the other intervenors have indicated their consent to this interim implementation of the stipulated rates.

STIPULATION

Because the Stipulation sets forth the rates proposed to be interim, the terms of the Stipulation are set forth below.

1. The Company's total rate base is \$164,446,791. The test year is the twelve (12) months ending September 30, 2007, adjusted for known and measurable changes (Settlement paragraph 1).
2. The return on equity is agreed to be set at 10.00%. The Parties have also agreed that this return on equity will calculate to an overall authorized rate of return of 7.648%, derived from an overall capital structure that does not include short-term debt. (Settlement paragraph 2).
3. Utilizing this overall rate of return of 7.648% results in an overall additional revenue requirement of \$4,950,000. As shown in paragraph 3 of the Settlement, this amount is calculated as follows:

Rate Base	\$164,446,791
Rate of Return	<u>x 7.648%</u>
Required Operating Income	\$ 12,576,891
Test Year Operating Income	<u>9,728,134</u>
Deficiency	\$ 2,848,757
Revenue Conversion Factor	<u>x 1.737600</u>
Revenue Requirement	\$ 4,950,000

4. The revenue requirement for Middlesex should be set upon a 10.00% return on equity (7.648% overall rate of return), resulting in an increase of \$4,950,000 over present revenues of \$54,467,835 or an overall revenue increase of approximately 9.09%. The Parties agree that this figure represents the level of revenue that will help to ensure that the Company will continue to provide safe, adequate, and proper water service to its customers. (See Exhibit A, proof of revenues). (Settlement Paragraph 4).
5. The Parties agree that the attached tariffs (Exhibit B), implementing the terms of the Stipulation, should be approved in their entirety, and recommend their approval by the ALJ and the Board. The tariffs reflect an increase of 9.894% for General Metered Service (Rate Schedule No. 1). The tariffs also reflect the following changes: (a) the Private Fire Service rate (Rate Schedule No. 2) has been increased 4.56%¹, and the Public Fire Service rate (Rate Schedule No. 3) has been revised to reflect that hydrant charges have been increased 15.65% and inch foot charges have not changed; (b) the Service Under Contract rate (Rate Schedule No. 5) has been increased 9.894%; (c) the Special Contract Service rate (Rate Schedule No. 6) has been increased by 9.533%; (d) the Transmission Service South River Basin rate (Rate Schedule No. 7) has been increased 4.56%; and (e) the Transmission Service Northeast Sector (Rate Schedule No. 8) has been increased 9.894%. (Settlement Paragraph 5).
6. While agreeing to the results of the allocations as evidenced in the tariffs and proofs of revenues attached to the Stipulation of Settlement, the Parties hereto have not agreed

¹ The Private Fire Service rate consists of a facilities charge and a consumption component. The facilities charge has been increased 4.30% and the consumption component has been increased 9.894% (consistent with the increase to all General Metered Service customers) to result in an overall increase to Private Fire Service customers of 4.56%.

upon any specific allocation methodology in the resolution of the rate design issues raised in this proceeding. (Settlement Paragraph 6).

7. The Company and the MTMUA agree to amend the Water Supply Agreement between the Company and the MTMUA dated August 1, 2006 (the Water Supply Agreement) to reflect a decrease in the Transmission Daily Minimum (specified in paragraph 4 (c) (i)) from five (5.0) million gallons of water per day to four and one-half (4.5) million gallons of water per day. The Company and the MTMUA further agree that the decrease in the Transmission Daily Minimum shall become effective upon the same effective date of the increased rates authorized by the Board approving this Stipulation. (Settlement Paragraph 7).
8. The Company and the MTMUA stipulate to pursue any further amendments and/or modifications to its current Water Supply Agreement with respect to the MTMUA's Transmission Daily Minimum obligations prior to the filing of the Company's next base rate case or be precluded from raising the issue during the rate design phase of the proceeding. (Settlement Paragraph 8).
9. With regard to Paragraphs 7 and 8, above, the Board Staff and Rate Counsel hereby take no position relative to the negotiation of any issue affecting the Transmission Daily Minimum obligations governing transmission charges under the Water Supply Agreement between the Company and the MTMUA. (Settlement Paragraph 9).
10. As part of its first rate filing seeking to include costs for Section A (of the South River Basin Transmission Main) in rates, the Company agrees to update the investment data inputs to the full cost of service study performed and filed in this proceeding, making that study available no later than the date of the filing of such future rate proceeding. (Settlement Paragraph 10).
11. The Parties agree that the Board should update those findings necessary pursuant to N.J.A.C. 14:9-7.1 et seq. to permit the Company to implement a purchased water adjustment clause. Those updated findings are contained in Exhibit C (attached).
12. The Parties agree that the filter rehabilitation project, which is expected to be completed by March 31, 2008, is necessary and prudent for the continued provision of safe, adequate and proper utility service. The Parties agree that the current projected cost of the filter project is approximately \$2.1 million. No later than February 29, 2008, the Company will provide the Parties with a status report regarding the projected in-service date and the updated costs of the filter project. No later than sixty (60) days following the actual in-service date of the filter project, the Company will provide the Parties with a certification indicating the final total cost of the filter rehabilitation project, as well as the actual in-service date.

DISCUSSIONS AND FINDINGS

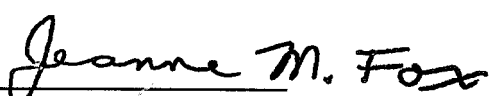
Given the recent developments in this case, the Board HEREBY ORDERS that the stipulated rates are to be implemented on an interim basis, subject to refund, pending the final outcome of the OBMUA's action at its November 7, 2007 public meeting. The Board HEREBY DIRECTS that the OBMUA shall have until November 8, 2007, at 11:00 am, to advise the Board as to the status of the OBMUA's action at its November 7, 2007, public meeting with respect to the proposed settlement of this Middlesex Water Company rate proceeding. If no action or vote has

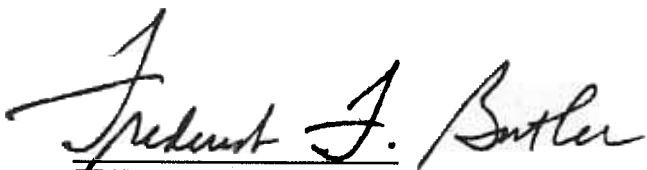
been taken with respect to the OBMUA's approval of the proposed settlement in this matter, at the time noted, the Board shall consider the stipulation at its November 8, 2007 agenda meeting. If the OBMUA has taken action on the proposed settlement and accepts the settlement it shall advise the Board of its action by the date and time noted above and the Board will consider the stipulation at its November 8, 2007 agenda meeting. If the OBMUA objects to the stipulation it must set forth its reasons in writing to the Board no later than November 8, 2007 at 11:00 AM, and simultaneously serve such objection to all parties. The parties may reply to OBMUA's objections by November 16, 2007. Thereafter, the Board will consider the comments of all parties and schedule the matter for its next regularly scheduled agenda meeting.


The Board HEREBY ORDERS the Company to submit a complete revised interim tariff conforming to the terms and conditions of the Stipulation and this Order within ten (10) days from the date of this Order.

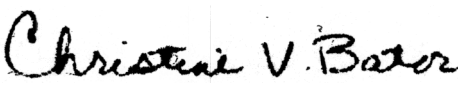
DATED: 10/26/07

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

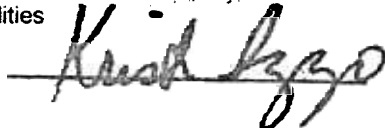

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



I/M/O MIDDLESEX WATER COMPANY
FOR APPROVAL FOR AN INCREASE IN RATES FOR
WATER SERVICE AND OTHER TARIFF CHANGES
BPU DOCKET NO. WR07040275
OAL DOCKET NO. PUCRL05663-2007N

SERVICE LIST

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The Marlboro Township Municipal Utilities Authority (“MTMUA”), the Old Bridge Municipal Utilities Authority (“Old Bridge”), and the East Brunswick Water Utility (“East Brunswick”).

As a result of an analysis of the petition, pre-filed testimony and exhibits, conferences, negotiations, responses to information requests, and a public hearing held in the service territory, the Signatory Parties to these proceedings have come to an agreement on the issues in dispute in this matter. The Signatory Parties hereto agree and stipulate as follows

The procedural history of this matter is as follows:

On April 18, 2007, Middlesex Water Company, a public utility corporation of the State of New Jersey pursuant to N.J.S.A. 48:2-21, and N.J.A.C. 14:1-5. , 14:1-5.12 and 14:9-7. et seq. filed a petition to increase rates for water service, to make other tariff changes, and to update the necessary findings for the future use of a purchased water adjustment clause. The Company requested a rate increase of approximately \$8.9 million or approximately 16.46% above the adjusted annual level of present rate revenues of \$53,995,372 for the test year ending September 30, 2007.

On May 7, 2007, the Board transmitted the matter to the Office of Administrative Law (“OAL”) and Administrative Law Judge Walter M. Braswell, was assigned to hear the case. On May 23, 2007, the Board entered an Order suspending until October , 2007, the changes Middlesex sought to make to its tariffs. A Pre-Hearing Conference (via telephone) was convened by Judge Braswell on June 22, 2007, and a Pre-Hearing Order issued on July 3, 2007. After proper notice, a public hearing in the service territory was held in Woodbridge, New Jersey on the evening of September 11, 2007. No members of the public appeared to provide comments. On September 13, 2007, the Board issued a second Order suspending the implementation of proposed rates until February 1, 2008.

The Company has provided a number of updates to its original filing, including updated information regarding numerous aspects of the Company's financial condition.

Settlement Terms

Numerous settlement discussions were held among the Parties, and this process resulted in the following stipulations:

For the purposes of this agreement, the Company's total rate base is agreed to be \$164,446,791. The test year is the 12 months ended September 30, 2007, adjusted for known and measurable changes.

2. For the purposes of this agreement, the return on equity is agreed to be set at 10.0%. The Parties have also agreed that this return on equity will calculate to an overall authorized rate of return of 7.648%, derived from an overall capital structure that does not include short-term debt.

3. The Parties agree that utilizing this overall rate of return of 7.648% would result in an overall additional revenue requirement of \$4,950,000. This amount was calculated as follows:

Rate Base	\$164,446,791
Rate of Return	<u>x 7.648%</u>
Required Operating Income	\$ 12,576,891
Operating Income-Present Rates	<u>- 9,728,134</u>
Deficiency	2,848,757
Revenue Conversion Factor	<u>x 1.737600</u>
Revenue Requirement	\$ 4,950,000

4. The Parties stipulate that the revenue requirement for Middlesex should be set based upon a 10.0% return on equity (7.648% overall rate of return), resulting in an increase of \$4,950,000 over present rate revenues of \$54,467,835, or an overall revenue increase of approximately 9.09%. The Parties agree that this figure represents the level of revenue which will help to ensure that the Company will continue to provide safe, adequate, and proper water service to its customers. See Exhibit A (proof of revenues).

5. The Parties agree that the attached tariffs (Exhibit B hereto), implementing the terms of this Stipulation, should be approved in their entirety, and recommend their approval by the Administrative Law Judge and the Board. The tariffs reflect an increase of 9.894% for General Metered Service [Rate Schedule No. 1]. The tariffs also reflect the following changes: (a) the Private Fire Service rate [Rate Schedule No. 2] has been increased 4.30%¹, and the public fire service rate [Rate Schedule No. 3] has been revised to reflect that hydrant charges have been increased 5.65% and inch foot charges have not changed; (b) the Service Under Contract rate [Rate Schedule No. 5] has been increased 9.894%; (c) the Special Contract Service rate [Rate Schedule No. 6] has been increased by 9.533%; (d) the Transmission Service South River Basin rate [Rate Schedule No. 7] has been increased 4.56%; and (e) the Transmission Service Northeast Sector [Rate Schedule No. 8] has been increased 9.894%.

6. While agreeing to the results of the allocations as evidenced in the tariffs and proof of revenues attached to this Stipulation of Settlement, the Parties hereto have not agreed upon any specific allocation methodology in the resolution of the rate design issues raised in this proceeding.

7. The Company and the MTMUA agree to amend the Water Supply Agreement between the Company and the MTMUA dated August 1, 2006 (the "Water Supply Agreement"), to reflect a decrease in the Transmission Daily Minimum (specified in paragraph 4 (c)(i)) from five (5.0) million gallons of water per day to four and one-half (4.5) million gallons of water per day. The Company and the MTMUA further agree that the decrease in the Transmission Daily Minimum shall become effective upon the same effective date of the increased rates authorized by the Board Order approving this Stipulation.

¹ Please note that the Private Fire Service rate consists of a facilities charge and a consumption component. The facilities charge has been increased 4.30% and the consumption component has been increased by 9.894% (consistent with the increase to all General Metered Service customers) to result in an overall increase to Private Fire Service customers of 4.56%.

8. The Company and the MTMUA shall pursue any further amendments and/or modifications to its current Water Supply Agreement with respect to the MTMUA's Transmission Daily Minimum obligation prior to the filing of the Company's next base rate case or be precluded from raising the issue during the rate design phase of the proceeding.

9. With regard to paragraphs 7 and 8 above, the Board Staff and Rate Counsel hereby take no position relative to the negotiation of any issues affecting the Transmission Daily Minimum obligations governing transmission charges under the Water Supply Agreement between the Company and the MTMUA

10. As part of its first rate filing seeking to include costs for Section A (of the South River Basin Transmission Main) in rates, the Company agrees to update the investment data inputs to the full cost of service study performed and filed in this proceeding, making that study available no later than the date of the filing of such future rate proceeding.

The Parties agree that the Board should update those findings necessary pursuant to N.J.A.C. 14:9-7.1 et seq. to permit the Company to implement a purchased water adjustment clause. Those updated findings are contained in Exhibit C hereto (which was also provided as Schedule H to the Petition).

12. The Parties agree that the filter rehabilitation project, which is expected to be completed by March 31, 2008, is necessary and prudent for the continued provision of safe, adequate and proper utility service. The Parties agree that the current projected cost of the filter project is approximately \$2 million. No later than February 29, 2008, the Company will provide the Parties with a status report regarding the projected in-service date and the updated costs of the filter project. No later than sixty (60) days following the actual in-service date of the filter project, the Company will provide the Parties with a certification indicating the final total cost of the filter rehabilitation project, as well as the actual in-service date.

13. This Stipulation is the product of extensive negotiations by the signatories, 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 signatories 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, and that it will avoid protracted and costly litigation of certain issues and that with respect to any policy or other issues which were compromised 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.

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

MIDDLESEX WATER COMPANY

Oct. 15, 2007

By: Stephen B. Genzer *as*
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date:

By: _____
Alex Moreau, DAG

STEFANIE A. BRAND, ESQ., DIRECTOR
DIVISION OF RATE COUNSEL

Date:

By: _____
Debra Robinson, Esq.
Deputy Public Advocate

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MIDDLESEX WATER COMPANY

Oct. 15, 2007

By: Stephen B. Genzer *as*
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

October 16, 2007
Date:

By: Alex Moreau
Alex Moreau, DAG

STEFANIE A. BRAND, ESQ., DIRECTOR
DIVISION OF RATE COUNSEL

Date:

By: _____
Debra Robinson, Esq.
Deputy Public Advocate

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MIDDLESEX WATER COMPANY

Date:

By: _____
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner


ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date:

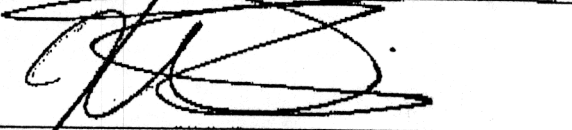
By: _____
Alex Moreau, DAG

STEFANIE A. BRAND, ESQ., DIRECTOR
DIVISION OF RATE COUNSEL

10-16-07
Date:

By: 
Debra Robinson, Esq.
Deputy Public Advocate

THE MARLBORO TOWNSHIP MUNICIPAL
UTILITIES AUTHORITY



Date:

By: _____
Peter S. Wersinger III, Esq.
Attorney for Intervenor

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY

Date:

By: _____
Sandra T. Ayres, Esq.
Scarinci & Hollenbeck, LLC
Attorney for Intervenor

EAST BRUNSWICK WATER UTILITY

Date:

By: _____
Anthony C. Iacocca, Esq.
Hoagland, Longo, Moran, Dunst
& Doukas, LLP
Attorney for Intervenor

THE MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Date:

By: _____
Peter S. Wersinger III, Esq.
Attorney for Intervenor


OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY

Date:

By: _____
Sandra T. Ayres, Esq.
Scarinci & Hollenbeck, LLC
Attorney for Intervenor

EAST BRUNSWICK WATER UTILITY

Date: 10-15-07

By: _____

Anthony C. Iacocca, Esq.
Hoagland, Longo, Moran, Dunst
& Doukas, LLP
Attorney for Intervenor



TOWNSHIP OF EAST BRUNSWICK

NO: 13980 DATE OF ADOPTION: October 15, 2007

RESOLUTION AUTHORIZING A STIPULATION OF SETTLEMENT TO BE SIGNED BY THE TOWNSHIP ATTORNEY IN THE MATTER OF MIDDLESEX WATER COMPANY BPU PETITION DOCKET NO. WR0704275, OAL DOCKET NO. PUC 05663-07

WHEREAS, Middlesex Water Company, an investor owned private water company, filed a petition under N.J.S.A. 48:2-1, N.J.A.C. 14:1-5:11 et. seq. seeking a base rate increase in their authorized Tariff: and

WHEREAS, the Township of East Brunswick received notice of the proposed petition on May 30, 2007; and

WHEREAS, Middlesex Water Company's petition requested revenues of \$8,416,630.00 to be assessed to various classes of water customers and East Brunswick intervened in the case challenging the petition as advanced; and

WHEREAS, all interveners in the case have mutually agreed the revenue requirement, which is justified for the Company is \$4,950,000.00 and the general service tariff for customers will result in a 9.894% tariff increase with the exception of East Brunswick which will receive a 9.533% tariff increase.

NOW, THEREFORE, BE IT RESOLVED by the Township Council, Township of East Brunswick, County of Middlesex, State of New Jersey according to the following:

- 1 The Township Attorney is authorized to sign a Stipulation of Settlement on behalf of East Brunswick in the matter of Middlesex Water Company petition to the Board of Public Utilities, BPU Docket No. WR0704275 and OAL Docket No. PUC 05663-07

BE IT FURTHER RESOLVED a copy of the Stipulation of Settlement will be on file with this Resolution in the Clerk's Office upon approval by the Administrative Law Judge Braswell and the Board of Public Utilities Commissioner.

RECORD VOTE OF COUNCIL ON FINAL PASSAGE									
Council Member	Y	N	NV	Ab	Council Member	Y	N	NV	Ab
Diem				✓	Stahl	✓			
Klomp	✓				Pinkin	✓			
Luster	✓								
X • Indicates Vote.				NV • Not Voting			Ab • Absent		

This is to Certify that this is a true and compared copy of a resolution adopted by the Municipal Council of the Township of East Brunswick on October 15, 2007

Denette Perry
Denette Perry, Municipal Clerk

Res. #13980

CERTIFICATIONS:

Administrator

Township Attorney

J. Mason Neely

Chief Finance Officer

**SCARINCI
& HOLLENBECK, LLC**
Attorneys at Law

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DONALD SCARINCI**
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PATRICK J. MCNAMARA*
ANDREW L. INDECK*
JOHN M. SCAGNELLI*
JOEL R. GLUCKSMAN*
JOSEPH A. FERRIERO^o*
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PLEASE REPLY TO:
LYNDHURST

WRITER DIRECT DIAL:
201-623-1222

October 15, 2007

Hon. Walter Braswell, ALJ
Office of Administrative Law
Quakerbridge Plaza, Building 9
Mercerville, NJ 08619

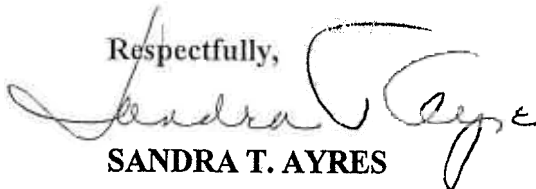
**Re: In the Matter of Middlesex Water Company for Approval of an
Increase in its Rates for Water Service and Other Tariff Changes
BPU Docket No.: WR07940275
OAL Docket No.: PUCRL 05663-2007N**

Dear Judge Braswell:

This firm represents the Old Bridge Municipal Utilities Authority (OBMUA), an Intervenor in the above-captioned matter. I am counsel of record and participated in the settlement negotiations on OBMUA's behalf. OBMUA officials have been informed of the proposed settlement which is being submitted for your consideration by the Company's counsel.

I am writing to advise your Honor that I have recommended acceptance of the settlement by the Commissioners of the OBMUA and the matter will be on the agenda for their October 17, 2007 meeting. This is the earliest date when they can take official action.

Respectfully,


SANDRA T. AYRES

STA/vk
Cc: Service List
Arthur Haney, Exec. Dir. OBMUA

EXHIBIT A

PROOF OF REVENUES

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE

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SUMMARY OF PROJECTED REVENUES

	PRESENT <u>RATES</u>	PROPOSED <u>RATES</u>	<u>DIFFERENCE</u>
RESIDENTIAL	\$20,747,765	\$22,800,587	2,052,823
COMMERCIAL	7,027,761	7,723,161	695,400
INDUSTRIAL	<u>8,559,564</u>	<u>9,406,439</u>	<u>846,874</u>
 SUBTOTAL	 36,335,090	 39,930,187	 3,595,097
 PRIVATE FIRE SERVICE	 4,406,120	 4,607,026	 200,907
PUBLIC FIRE SERVICE	<u>3,577,720</u>	<u>3,931,696</u>	<u>353,976</u>
 SUBTOTAL	 7,983,840	 8,538,722	 554,882
 EDISON	 377,247	 414,572	 37,325
HIGHLAND PARK	710,068	780,322	70,254
EAST BRUNSWICK	2,797,273	3,063,936	266,663
OLD BRIDGE MUA	1,961,244	2,130,369	169,125
SAYREVILLE	1,448,466	1,573,373	124,907
MARLBORO MUA	2,554,469	2,674,141	119,672
RAHWAY	122,038	134,112	12,074
 SUBTOTAL	 9,970,805	 10,770,826	 800,021
 MISCELLANEOUS	 55,393	 55,393	 -
BAYVIEW	<u>122,707</u>	122,707	-
GRAND TOTAL	<u>\$54,467,835</u>	<u>\$59,417,835</u>	<u>4,950,000</u>

		<u>ROUNDED</u>
RATE INCREASE - OVERALL INCREASE	<u>9.087932%</u>	<u>9.09%</u>
RATE INCREASE -	<u>9.894000%</u>	<u>9.89%</u>
RATE INCREASE - OVERALL GMS CUSTOMERS	<u>9.894000%</u>	<u>9.89%</u>
RATE INCREASE - PRIVATE FIRE SERVICE FACILITIES	<u>4.299000%</u>	<u>4.30%</u>
RATE INCREASE - SRB TRANSMISSION	<u>4.560000%</u>	<u>4.56%</u>
RATE INCREASE - HYDRANT	<u>15.646000%</u>	<u>15.65%</u>
RATE INCREASE - INCH FOOT	<u>0.00%</u>	<u>0.00%</u>
RATE INCREASE - EAST BRUNSWICK	<u>9.533000%</u>	<u>9.53%</u>

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MIDDLESEX WATER COMPANY
 PROOF OF REVENUE

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GENERAL WATER SERVICE

CONSUMPTION CHARGES

/---RATE PER TCF---\

CURRENT PROPOSED

\$24.0120 \$26.3804

FACILITIES CHARGES

METER SIZE	/---MONTHLY---\		/---QUARTERLY---\	
	<u>CURRENT</u>	<u>PROPOSED</u>	<u>CURRENT</u>	<u>PROPOSED</u>
5/8"	\$8.98	\$9.87	\$26.94	\$29.61
3/4"	\$13.47	\$14.81	\$40.41	\$44.43
1"	\$22.45	\$24.67	\$67.35	\$74.01
1 1/2"	\$44.90	\$49.35	\$134.70	\$148.05
2"	\$71.84	\$78.95	\$215.52	\$236.85
3"	\$134.70	\$148.03	\$404.10	\$444.09
4"	\$224.50	\$246.71	\$673.50	\$740.13
6"	\$449.00	\$493.42	\$1,347.00	\$1,480.26
8"	\$718.40	\$789.48	\$2,155.20	\$2,368.44
10"	\$1,032.70	\$1,134.88	\$3,098.10	\$3,404.64
12"	\$1,930.70	\$2,121.72	\$5,792.10	\$6,365.16

PRIVATE FIRE SERVICE WITH HOSE CONNECTIONS

METER SIZE	/---MONTHLY---\		/---QUARTERLY---\	
	<u>CURRENT</u>	<u>PROPOSED</u>	<u>CURRENT</u>	<u>PROPOSED</u>
2"	\$67.24	\$70.13	\$201.72	\$210.39
3"	147.91	\$154.27	\$443.73	\$462.81
4"	246.91	\$257.52	\$740.73	\$772.56
6"	505.26	\$526.98	\$1,515.78	\$1,580.94
8"	723.45	\$754.55	\$2,170.35	\$2,263.65
10"	1,160.43	\$1,210.32	\$3,481.29	\$3,630.96
12"	1,715.89	\$1,789.66	\$5,147.67	\$5,368.98

PRIVATE FIRE SERVICE WITHOUT HOSE CONNECTIONS

METER SIZE	/---MONTHLY---\		/---QUARTERLY---\	
	<u>CURRENT</u>	<u>PROPOSED</u>	<u>CURRENT</u>	<u>PROPOSED</u>
1"	\$22.43	\$23.39	\$67.29	\$70.17
2"	55.47	\$57.85	\$166.41	\$173.55
3"	111.07	\$115.84	\$333.21	\$347.52
4"	184.29	\$192.21	\$552.87	\$576.63
6"	374.54	\$390.64	\$1,123.62	\$1,171.92
8"	535.51	\$558.53	\$1,606.53	\$1,675.59
10"	857.48	\$894.34	\$2,572.44	\$2,683.02
12"	1,267.30	\$1,321.78	\$3,801.90	\$3,965.34

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 SUMMARY OF PROPOSED RATES

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MUNICIPAL SERVICE

	<u>CURRENT</u>	<u>PROPOSED</u>
INCH FOOT	\$0.04056	\$0.04056
HYDRANT	\$501.08	\$579.48

SERVICE UNDER CONTRACT (RATE SCHEDULE NO. 5)

RATE PER MILLION GALLONS

	<u>CURRENT</u>	<u>PROPOSED</u>
ALL WATER USE	\$1,476.72	\$1,622.82

SERVICE UNDER CONTRACT (RATE SCHEDULE NO. 6)

RATE PER MILLION GALLONS

	<u>CURRENT</u>	<u>PROPOSED</u>
ALL WATER USE	\$1,060.42	\$1,161.51

TRANSMISSION SERVICE SOUTH RIVER BASIN (RATE SCHEDULE NO. 7)

RATE PER MILLION GALLONS

	<u>CURRENT</u>	<u>PROPOSED</u>
ALL WATER USE	\$461.77	\$482.83

TRANSMISSION SERVICE - NORTHEAST SECTOR (RATE SCHEDULE NO. 8)

RATE PER MILLION GALLONS

	<u>CURRENT</u>	<u>PROPOSED</u>
ALL WATER USE	\$50.00	\$54.95

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 EXISTING RATES
 RESIDENTIAL

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FACILITIES CHARGES

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>TEST YEAR REVENUE</u>
5/8"	189,151	26.94	5,095,728		
3/4"	27,409	40.41	1,107,598		
1"	3,828	67.35	257,816		
1/2"	668	134.70	89,980		
2"	<u>256</u>	215.52	55,174		
	221,312		6,606,295	-\$5	\$6,606,290

CONSUMPTION

	590,773,162	\$0.02393723	<u>\$14,141,474</u>		<u>\$14,141,474</u>
TOTAL RESIDENTIAL			<u>\$20,747,770</u>	<u>(\$5)</u>	<u>\$20,747,765</u>

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 EXISTING RATES
 INDUSTRIAL

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FACILITIES CHARGES

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>TEST YEAR REVENUE</u>
5/8"	12	\$8.98	\$108		
3/4"	24	\$13.47	323		
1"	130	\$22.45	2,919		
1 1/2"	244	\$44.90	10,956		
2"	588	\$71.84	42,242		
3"	492	\$134.70	66,272		
4"	1,092	\$224.50	245,154		
6"	768	\$449.00	344,832		
8"	156	\$718.40	112,070		
10"	<u>84</u>	<u>\$1,032.70</u>	<u>86,747</u>		
	3,590		\$911,623	\$8	\$911,631

CONSUMPTION

319,499,496	\$0.02393723	7,647,934	<u>\$7,647,934</u>
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TOTAL INDUSTRIAL		<u>\$8,559,556</u>	<u>\$8</u>	<u>\$8,559,564</u>
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SETTLED

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 EXISTING RATES
 PRIVATE FIRE SERVICE - WITH HOSE CONNECTIONS

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FACILITIES CHARGES - QUARTERLY

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET</u> <u>ADJUSTMENTS</u>	<u>TEST</u> <u>YEAR</u> <u>REVENUE</u>
	4	\$201.72	\$807		
3"	0	\$443.73	0		
4"	36	\$740.73	26,666		
6"	4	\$1,515.78	6,063		
8"	0	\$2,170.35	0		
10"	0	\$3,481.29	0		
12"	<u>0</u>	\$5,147.67	<u>0</u>		
	44		\$33,536		\$33,536

FACILITIES CHARGES - MONTHLY

2"	12	\$67.24	\$807		
	0	\$147.91	0		
4"	120	\$246.91	29,629		
6"	816	\$505.26	412,292		
8"	1,430	\$723.45	1,034,534		
10"	<u>288</u>	\$1,160.43	<u>334,204</u>		
	2,666		\$1,811,466		\$1,811,466

MIDDLESEX WATER COMPANY
PROOF OF REVENUE
EXISTING RATES
PRIVATE FIRE SERVICE - WITHOUT HOSE CONNECTIONS

FACILITIES CHARGES - QUARTERLY

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>TEST YEAR REVENUE</u>
1"	35	\$67.29	\$2,355		
2"	142	\$166.41	23,630		
3"	12	\$333.21	3,999		
4"	136	\$552.87	75,190		
6"	204	\$1,123.62	229,218		
8"	8	\$1,606.53	12,852		
10"	0	\$2,572.44	0		
12"	<u>0</u>	\$3,801.90	<u>0</u>		
	537		\$347,245		\$347,245

FACILITIES CHARGES - MONTHLY

1"	12	\$22.43	\$269		
2"	270	\$55.47	14,977		
3"	279	\$111.07	30,989		
4"	2,069	\$184.29	381,296		
6"	1,496	\$374.54	560,312		
8"	1,704	\$535.51	912,509		
10"	108	\$857.48	92,608		
12"	<u>12</u>	\$1,267.30	<u>15,208</u>		
	5,950		\$2,008,167	\$1	\$2,008,168

CONSUMPTION - QUARTERLY

101,080	\$0.02393723	\$2,420	\$2,420
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CONSUMPTION - MONTHLY

8,492,445	\$0.02393723	\$203,286	\$203,286
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TOTAL PRIVATE FIRE SERVICE

\$4,406,119 \$4,406,120

TOTAL GENERAL WATER SERVICE

\$40,741,208 \$40,741,210

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 EXISTING RATES
 CONTRACT SALES

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EDISON

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	255,463,301	
RATE PER MILLION GALLONS	\$1,476.72	
ADJUSTED TEST YEAR REVENUES		\$377,247

HIGHLAND PARK

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	480,842,301	
RATE PER MILLION GALLONS	\$1,476.72	
ADJUSTED TEST YEAR REVENUES		\$710,068

EAST BRUNSWICK

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	2,637,881,640	
RATE PER MILLION GALLONS	\$1,060.42	
ADJUSTED TEST YEAR REVENUES		\$2,797,273

OLD BRIDGE MUA

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	,011,739,568	
RATE PER MILLION GALLONS	\$1,938.49	
ADJUSTED TEST YEAR REVENUES		\$1,961,244

SAYREVILLE

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	747,214,709	
RATE PER MILLION GALLONS	\$1,938.49	
ADJUSTED TEST YEAR REVENUES		\$1,448,466

RAHWAY

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	79,934,919	
RATE PER MILLION GALLONS	\$1,526.72	
ADJUSTED TEST YEAR REVENUES		\$122,038

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE

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EXISTING RATES
 CONTRACT SALES

MARLBORO

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	,159,151,686	
RATE PER MILLION GALLONS	\$1,476.72	
ADJUSTED TEST YEAR REVENUES		\$1,711,739

MARLBORO

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	,825,000,000	
RATE PER MILLION GALLONS	\$461.77	
ADJUSTED TEST YEAR REVENUES		\$842,730

TOTAL ADJUSTED TEST YEAR REVENUES - CONTRACT SALES		<u>\$9,970,805</u>
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EXISTING RATES
 PUBLIC FIRE PROTECTION

NUMBER OF INCH-FEET	32,429,576	RCR-RD-5
ANNUAL CHARGE PER INCH-FOOT	<u>\$0.04056</u>	\$1,315,344
NUMBER OF HYDRANTS	4,515	RCR-RD-5
ANNUAL CHARGE PER HYDRANT	<u>\$501.08</u>	\$2,262,376
		\$3,577,720
	MISC ADJUSTMENT	\$0
TOTAL PUBLIC FIRE PROTECTION		<u>\$3,577,720</u>

MISCELLANEOUS		<u>\$55,393</u>
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BAYVIEW		<u>\$122,707</u>
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TOTAL PROJECTED REVENUES ALL CLASSES		<u>\$54,467,835</u>
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SETTLED

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 PROPOSED RATES
 RESIDENTIAL

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FACILITIES CHARGES

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>PROPOSED REVENUE</u>
5/8"	189,151	\$29.61	\$5,600,761		
3/4"	27,409	44.43	1,217,782		
1"	3,828	74.01	283,310		
1/2"	668	148.05	98,897		
2"	<u>256</u>	236.85	<u>60,634</u>		
			\$7,261,384	(\$3)	\$7,261,381

CONSUMPTION

590,773,162	\$0.02630558	<u>\$15,540,632</u>	(\$1,426)	<u>\$15,539,206</u>
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TOTAL RESIDENTIAL		<u>\$22,802,016</u>	<u>(\$1,429)</u>	<u>\$22,800,587</u>
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MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 PROPOSED RATES
 COMMERCIAL

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FACILITIES CHARGES - QUARTERLY

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>PROPOSED REVENUE</u>
5/8"	720	\$29.61	\$21,319		
3/4"	380	44.43	16,883		
1"	408	74.01	30,196		
1/2"	200	148.05	29,610		
2"	540	236.85	127,899		
3"	132	444.09	58,620		
4"	<u>4</u>	740.13	<u>2,961</u>		
	2,384		\$287,488	\$0	\$287,488

FACILITIES CHARGES - MONTHLY

5/8"	405	\$9.87	\$3,997		
3/4"	720	14.81	10,663		
1"	1,431	24.67	35,303		
1/2"	2,873	49.35	141,783		
2"	9,037	78.95	713,471		
3"	2,116	148.03	313,231		
4"	214	246.71	52,796		
6"	24	493.42	11,842		
8"	24	789.48	18,948		
10"	<u>36</u>	1,134.88	<u>40,856</u>		
	16,880		\$1,342,890	\$0	\$1,342,890

CONSUMPTION - QUARTERLY

18,790,983	\$0.02630558	\$494,308	\$0	\$494,308
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CONSUMPTION - MONTHLY

212,824,615	\$0.02630558	<u>\$5,598,475</u>	\$0	<u>\$5,598,475</u>
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TOTAL COMMERCIAL		<u>\$7,723,161</u>	<u>\$0</u>	<u>\$7,723,161</u>
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MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 PROPOSED RATES
 INDUSTRIAL

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FACILITIES CHARGES

	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>PROPOSED REVENUE</u>
5/8"	12	\$9.87	\$118		
3/4"	24	14.81	355		
1"	130	24.67	3,207		
1 1/2"	244	49.35	12,041		
2"	588	78.95	46,423		
3"	492	148.03	72,831		
4"	1,092	246.71	269,407		
6"	768	493.42	378,947		
8"	156	789.48	123,159		
10"	<u>84</u>	1,134.88	<u>95,330</u>		
	3,590		\$1,001,818	\$0	\$1,001,818

CONSUMPTION

	319,499,496	\$0.02630558	<u>\$8,404,620</u>	\$0	<u>\$8,404,620</u>
TOTAL INDUSTRIAL			<u>\$9,406,439</u>	<u>\$0</u>	<u>\$9,406,439</u>

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 PROPOSED RATES
 PRIVATE FIRE SERVICE - W/ HOSE CONNECTIONS

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FACILITIES CHARGES - QUARTERLY

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>PROPOSED REVENUE</u>
2"	4	\$210.39	\$842		
3"	0	462.81	0		
4"	36	772.56	27,812		
6"	4	1,580.94	6,324		
8"	0	2,263.65	0		
10"	0	3,630.96	0		
12"	<u>0</u>	5,368.98	<u>0</u>		
	44		\$34,977	\$0	\$34,977

FACILITIES CHARGES - MONTHLY

2"	12	\$70.13	\$842		
3"	0	154.27	0		
4"	120	257.52	30,902		
6"	816	526.98	430,016		
8"	1,430	754.55	1,079,007		
10"	<u>288</u>	<u>,210.32</u>	<u>348,572</u>		
			\$1,889,338	\$0	\$1,889,338

SETTLED

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 PROPOSED RATES
 PRIVATE FIRE SERVICE - WITHOUT HOSE CONNECTIONS

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FACILITIES CHARGES - QUARTERLY

<u>METER</u>	<u>BILLS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>NET ADJUSTMENTS</u>	<u>PROPOSED REVENUE</u>
	35	\$70.17	\$2,456		
2"	142	173.55	24,644		
3"	12	347.52	4,170		
4"	136	576.63	78,422		
6"	204	1,171.92	239,072		
8"	8	1,675.59	13,405		
10"	0	2,683.02	0		
12"	<u>0</u>	3,965.34	<u>0</u>		
	537		\$362,168	\$0	\$362,168

FACILITIES CHARGES - MONTHLY

1"	12	\$23.39	\$281		
2"	270	57.85	15,620		
3"	279	115.84	32,319		
4"	2,069	192.21	397,682		
6"	1,496	390.64	584,397		
8"	1,704	558.53	951,735		
10"	108	894.34	96,589		
12"	<u>12</u>	1,321.78	<u>15,861</u>		
	5,950		\$2,094,485	\$0	\$2,094,485

CONSUMPTION - QUARTERLY

101,080	\$0.02630558	<u>\$2,659</u>	\$0	\$2,659
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CONSUMPTION - MONTHLY

8,492,445	\$0.02630558	<u>\$223,399</u>	\$0	<u>\$223,399</u>
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TOTAL PRIVATE FIRE		<u>\$4,607,026</u>	<u>\$0</u>	<u>\$4,607,026</u>
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SETTLED

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 PROPOSED RATES
 CONTRACT SALES

SETTLED
 O'CONNOR
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EDISON

PROJECTED GALLONS	255,463,301	
RATE PER MILLION GALLONS	<u>\$1,622.82</u>	
PROJECTED REVENUES		\$414,572

HIGHLAND PARK

PROJECTED GALLONS	480,842,301	
RATE PER MILLION GALLONS	<u>\$1,622.82</u>	
PROJECTED REVENUES		\$780,322

EAST BRUNSWICK

PROJECTED GALLONS	2,637,881,640	
RATE PER MILLION GALLONS	<u>\$1,161.51</u>	
PROJECTED REVENUES		\$3,063,936

OLD BRIDGE MUA

PROJECTED GALLONS	1,011,739,568	
RATE PER MILLION GALLONS	<u>\$2,105.65</u>	
PROJECTED REVENUES		\$2,130,369

SAYREVILLE

PROJECTED GALLONS	747,214,709	
RATE PER MILLION GALLONS	<u>\$2,105.65</u>	
PROJECTED REVENUES		\$1,573,373

RAHWAY

ADJUSTED TEST YEAR CONSUMPTION (GALLONS)	79,934,919	
RATE PER MILLION GALLONS	<u>\$1,677.77</u>	
ADJUSTED TEST YEAR REVENUES		<u>\$134,112</u>

MIDDLESEX WATER COMPANY
 PROOF OF REVENUE
 PROPOSED RATES
 CONTRACT SALES (CONTINUED)

SETTLED
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MARLBORO

PROJECTED GALLONS	159,151,686	
RATE PER MILLION GALLONS	<u>\$1,622.82</u>	
PROJECTED REVENUES		\$1,881,098

MARLBORO

PROJECTED GALLONS	,642,500,000	
RATE PER MILLION GALLONS	<u>\$482.83</u>	
PROJECTED REVENUES		\$793,043

TOTAL PROJECTED REVENUES - CONTRACT SALES	<u>\$7,759,275.602</u>	
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PROPOSED RATES
 PUBLIC FIRE PROTECTION

NUMBER OF INCH-FEET	32,429,576		RCR-RD-5
ANNUAL CHARGE PER INCH-FOOT	<u>\$0.04056</u>		
		\$1,315,344	
NUMBER OF HYDRANTS	4,515		RCR-RD-5
ANNUAL CHARGE PER HYDRANT	<u>\$579.48</u>		
		<u>\$2,616,352</u>	
		\$3,931,696	
	MISC ADJUSTMENT		<u>\$0</u>
TOTAL PROJECTED PUBLIC FIRE PROTECTION		<u>\$3,931,696</u>	

SETTLED

EXHIBIT B

TARIFFS

RATE SCHEDULE NO. 1
GENERAL WATER SERVICE - GS

APPLICABILITY:

Applicable to the use of water supplied through meters in the entire territory served by the Company.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:General Water Service

Consumption Charges
 Rate per Thousand
Cubic Feet
 \$26.3804

Facilities Charge

<u>Size of Meter</u>	<u>Per Quarter</u>	<u>Per Month</u>
5/8"	\$ 29.61	\$ 9.87
3/4"	44.43	14.81
1"	74.01	24.67
1-1/2"	148.05	49.35
2"	236.85	78.95
3"	444.09	148.03
4"	740.13	246.71
6"	1,480.26	493.42
8"	2,368.44	789.48
10"	3,404.64	1,134.88
12"	6,365.16	2,121.72

Billing shall be based on the facilities charge plus consumption charges (shown above) for each period.

Date of Issue: April 18, 2007

Effective for Service

Rendered on and After:

Issued by: Dennis W. Doll, President
 1500 Ronson Road
 Iselin, New Jersey 08830-3020

October 24, 2007

The State of New Jersey enacted Ch. 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which establishes a water tax of \$0.01 per 1,000 gallons of water. This tax is reflected and included in the above rates.

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated October 24, 2007, in Docket No. WR07040275.

RATE SCHEDULE NO. 2
PRIVATE FIRE SERVICE - PFS

APPLICABILITY:

Applicable to customers throughout entire territory for private fire protection service. Excludes residential customers with a service line of 2" or less, any residential health care facility and any rooming or boarding house (NJSA 48:19-18).

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

Sprinkler connections with hose or hydrants connected to them on private property where such sprinkler connections and hydrants are independently metered and used for fire service only.

<u>Size of Meter</u>	<u>Charge Per Quarter</u>	<u>Charge per Month</u>
2"	\$ 210.39	\$ 70.13
3"	462.81	154.27
4"	772.56	257.52
6"	1,580.94	526.98
8"	2,263.65	754.55
10"	3,630.96	1,210.32
12"	5,368.98	1,789.66

Sprinkler connections without hose or hydrants connected to them on private property where such sprinkler connections are independently metered and used for fire service only.

<u>Size of Meter</u>	<u>Charge Per Quarter</u>	<u>Charge per Month</u>
1"	\$ 70.17	\$ 23.39
2"	173.55	57.85
3"	347.52	115.84
4"	576.63	192.21
6"	1,171.92	390.64
8"	1,675.59	558.53
10"	2,683.02	894.34
12"	3,965.34	1,321.78

Consumption Charges

In accordance with Paragraph 10.4 of the "Standard Terms and Conditions", water for any use other than fire protection shall be charged at the General Water Service Rate for Consumption Charges (as shown on Sheet No. 32).

Date of Issue: April 18, 2007

Effective for service
Rendered on and after:

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

October 24, 2007

RATE SCHEDULE NO. 3

MUNICIPAL SERVICE - MS

APPLICABILITY:

Applicable to municipalities and fire districts of municipalities throughout the territory served by the Company.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

A. ANNUAL FIRE PROTECTION CHARGES:

Inch Foot Charge

Yearly charge of \$0.04056 per inch foot of distribution and transmission mains serving the municipality or fire district.

Hydrant Charge

Yearly charge of \$579.48 for each hydrant.

The amount of the bill will be the total of the Inch Foot Charge and the Hydrant Charge.

B. OTHER MUNICIPAL SERVICE:

Water for any use other than fire protection shall be charged for at General Water Service rate, Rate Schedule No. 1, Sheet No. 32 and Sheet No. 33, delivery to be determined by meter measurement when feasible, otherwise by estimate of the Company of the quantity delivered based on such factors as the diameter and length of time of the connection. Fire hydrants are not to be used for such purposes except upon the express consent of the Company in each case.

MINIMUM CHARGE:

None.

Date of Issue: April 18, 2007

Effective for service

Rendered on and after:

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

October 24, 2007

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated October 24, 2007, in Docket No. WR07040275.

RATE SCHEDULE NO. 5

SERVICE UNDER CONTRACT - SC

APPLICABILITY:

Applicable to service provided under special agreements. Such special agreements are available to customers that meet criteria as specified by the Board of Public Utilities and such agreements will be filed with the Board on a case by case basis.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

All water used shall be charged at the rate of \$1,622.82 per million gallons.

TERMS OF PAYMENT:

Bills will be rendered monthly.

A customer has at least 15 days from the postmark on the bill to pay a valid bill for service.

SPECIAL PROVISIONS:

As provided under special agreements.

Date of Issue: April 18, 2007

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

Effective for service
Rendered on and after:

October 24, 2007

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated October 24, 2007, in Docket No. WR07040275.

RATE SCHEDULE NO. 6

SPECIAL CONTRACT SERVICE

SCS

APPLICABILITY:

Applicable to water treatment and pumping services provided to customers under special agreements at the option of the Company.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

All water used shall be charged at the rate of \$1,161.51 per million gallons.

TERMS OF PAYMENT:

Bills will be rendered monthly.

A customer has at least 15 days from the postmark on the bill to pay a valid bill for service.

SPECIAL PROVISIONS:

As provided under special agreements.

Date of Issue: April 18, 2007

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

Effective for service
Rendered on and after:

October 24, 2007

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated October 24, 2007, in Docket No. WR07040275.

RATE SCHEDULE NO. 7

TRANSMISSION SERVICE SOUTH RIVER BASIN - TR-SRB

APPLICABILITY:

Applicable to water transmission service to the South River Basin area provided to customers under special agreements at the option of the Company.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

All water used shall be charged at the combined rate of \$482.83 per million gallons for transmission plus the rate for Service Under Contract as provided in Rate Schedule No. 5.

TERMS OF PAYMENT:

As provided by contract.

Bills to be rendered monthly.

A customer has at least 15 days from the postmark on the bill to pay a valid bill for service.

SPECIAL PROVISIONS:

As provided under special agreements.

Date of Issue: April 18, 2007

Effective for service
Rendered on and after:

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

October 24, 2007

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated October 24, 2007, in Docket No. WR07040275.

RATE SCHEDULE NO. 8

TRANSMISSION SERVICE - NORTHEAST SECTOR

APPLICABILITY:

Applicable to water transmission service to the Northeast area provided to customers under special agreements at the option of the Company.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

All water used shall be charged at the combined rate of \$54.95 per million gallons for transmission plus the rate for Service Under Contract as provided in Rate Schedule No. 5.

TERMS OF PAYMENT:

As provided by contract.

Bills to be rendered monthly.

A customer has at least 15 days from the postmark on the bill to pay a valid bill for service.

SPECIAL PROVISIONS:

As provided under special agreements.

Date of Issue: April 18, 2007

Effective for service
Rendered on and after:

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

October 24, 2007

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated October 24, 2007, in Docket No. WR07040275.

EXHIBIT C

PURCHASED WATER ADJUSTMENT CLAUSE FINDINGS

MIDDLESEX WATER COMPANY
PURCHASED WATER ADJUSTMENT CLAUSE
BPU DOCKET NO. WR07040275

BASE LEVEL DATA UNDER N.J.A.C. 14:9-7.6(b)(1)&(2)

NEW JERSEY WATER SUPPLY AUTHORITY BASE CONTRACT = 9,855 MG
COST PER MILLION GALLONS -

TIER ONE – FIRST 20 MILLION GALLONS	\$228.00
NEXT SEVEN MILLION GALLONS	\$297.37
TIER TWO – PURCHASES ABOVE BASE CONTRACT	\$273.60
TIER THREE – PURCHASES 10% ABOVE MONTHLY AVERAGE OF BASE CONTRACT	\$273.60

ELIZABETHTOWN WATER COMPANY BASE CONTRACT = 1,095 MG
COST PER MILLION GALLONS - \$1,850.10

2. N.J.A.C. 14:9-7.6(b)(3)

ACTUAL NUMBER AND CLASSES OF CUSTOMERS (Test Year 09/30/2007)

RESIDENTIAL	55,966
COMMERCIAL	2,064
INDUSTRIAL	306
PRIVATE FIRE	901
CONTRACT SALES	7

3. N.J.A.C. 14:9-7.6(b)(4)

ACTUAL VOLUME OF WATER PURCHASED - 11,088.3 MG

4. N.J.A.C. 14:9-7.6(b)(5)

PROPOSED COST PER UNIT METHOD:
ANNUAL REVENUE REQUIREMENT
FOR PURCHASED WATER ADJUSTMENT/WATER BILLED

5. N.J.A.C. 14:9-7.6(b)(4)

BASE CONSUMPTION (Test Year 09/30/2007) 14,977.8 MG
BASE COSTS

NEW JERSEY WATER SUPPLY AUTHORITY COST PER THOUSAND GALLONS -

TIER ONE – FIRST 20 MILLION GALLONS	\$0.22800
NEXT SEVEN MILLION GALLONS	\$0.29737
TIER TWO – PURCHASES ABOVE BASE CONTRACT	\$0.27360
TIER THREE – PURCHASES 10% ABOVE MONTHLY AVERAGE OF BASE CONTRACT	\$0.27360

ELIZABETHTOWN WATER COMPANY COST PER THOUSAND GALLONS \$1.85010