



Agenda Date: 12/18/13  
Agenda Item: VC

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF MIDDLESEX )	ORDER SUSPENDING
WATER COMPANY FOR APPROVAL OF AN )	INCREASES, CHANGES OR
INCREASE IN ITS RATES FOR WATER SERVICE AND )	ALTERATIONS IN RATES
OTHER TARIFF CHANGES )	FOR WATER SERVICE
)	
)	DOCKET NO. WR13111059

**Parties of Record:**

**Stephen B. Genzer, Esq.** for Petitioner  
**Stefanie A. Brand, Esq.** Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On November 8, 2013, pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.11, N.J.A.C. 14:1-5.12 and N.J.A.C. 14:9-7.1 et seq. and N.J.A.C. 14:9-10.1 et seq., Petitioner, Middlesex Water Company ("Middlesex", "Company" or "Petitioner") a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in rates for water service and other tariff changes amounting to approximately \$10.6 million or 15.89% According to the petition, the increase in rates is proposed to become effective on December 15, 2013. The Petitioner does not seek interim rate relief pending final determination of the petition.<sup>1</sup>

As part of its filing, Middlesex seeks to update the base consumption and base costs which were established in the last base rate proceeding (Docket No. WR12010027) within the meaning of the applicable Purchased Water Adjustment Clause regulations N.J.A.C. 14:9-7.1 et seq. and to establish a Distribution System Improvement Charge to recover a portion of the costs of necessary improvements in the Company's distribution system pursuant to N.J.A.C. 14:9-10.1 et seq.

<sup>1</sup> On November 19, 2013 the company submitted a letter to the Board Secretary advising that the company will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order of December 28, 2013.

Middlesex services approximately 59,000 retail water customers in the Townships of Edison and Woodbridge, the Boroughs of South Plainfield, Metuchen and Carteret and the City of South Amboy in Middlesex County, the Township of Clark in Union County, and the Township of Downe in Cumberland County. On a contract basis, the Company serves part of the Township of Edison, the Borough of Highland Park, the Old Bridge Municipal Utilities Authority, the Marlboro Township Municipal Utilities Authority and the City of Rahway. The Company also services under a special contract basis for water treatment and pumping services in the Township of East Brunswick.

According to the petition, the Company is engaged in an ongoing capital program to maintain and improve safe, adequate and proper service to its customers. Increases have occurred in various expense areas, including operations, maintenance, depreciation and taxes. The Company has experienced the loss of sales and the revenues associated with those sales have not been offset by customer growth. Middlesex seeks the increase to enable the company to maintain a satisfactory credit position, preserve its financial integrity, permit proper maintenance, development and improvements of the utility plant required to furnish safe, adequate and proper service, encourage continued good management, prevent confiscation or diminution of the Company's property, and earn a reasonable return upon the fair value of the Company's property used and useful in the public service. (See Petition at paragraph 6).

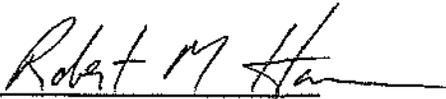
It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are suspended until April 15, 2014, unless the Board prior to that date, makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) Petitioner shall, at least ten (10) days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law (33 Washington Street, Newark, NJ 07102) proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) Petitioner shall, serve copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel (140 East Front Street, 4<sup>th</sup> Floor, Post Office Box 003, Trenton, NJ 08625-0003), the clerks of all affected municipalities, the clerks of the Board of Chosen Freeholders of all affected counties, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the date of this Order.

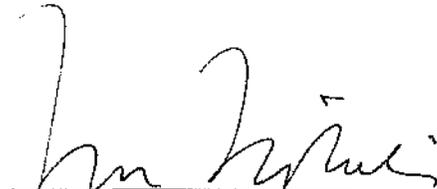
This Order shall be effective on December 28, 2013.

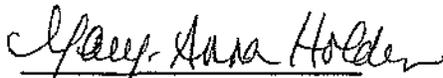
DATED: 12/18/13

BOARD OF PUBLIC UTILITIES  
BY:

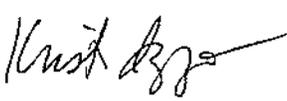
  
ROBERT M. HANNA  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

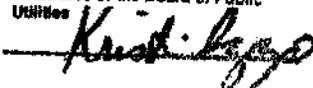
  
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COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DIANNE SOLOMON  
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



IN THE MATTER OF THE PETITION OF MIDDLESEX WATER COMPANY FOR APPROVAL  
OF AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES

BPU DOCKET NO. WR13111059

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