



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
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Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE AMENDMENT TO N.J.A.C.	)	ORDER
14:9 ADOPTION BY REFERENCE OF THE	)	
UNIFORM SYSTEM OF ACCOUNTS FOR WATER	)	DOCKET NO. WX19050612
UTILITIES	)	
	)	
IN THE MATTER OF THE AMENDMENT TO N.J.A.C.	)	
14:9 ADOPTION BY REFERENCE OF THE	)	
UNIFORM SYSTEM OF ACCOUNTS FOR	)	DOCKET NO. WX19050613
WASTEWATER (SEWER) UTILITIES	)	

**Parties of Record:**

**Jay L. Kooper, Esq.**, on behalf of Middlesex Water Company, Pinelands Water Company and Pinelands Wastewater Company

**Brain O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board") adopted final rules adopting updated Uniform Systems of Accounts ("USOA") for water utilities (N.J.A.C. 14:9-12) and for wastewater utilities (N.J.A.C. 14:9-13) in the January 19, 2021 New Jersey Register. See: 53 N.J.R. 125(a). The new USOAs become effective on January 1, 2022. The updated USOAs incorporated, by reference, the 1996 National Association of Regulatory Utility Commissioners ("NARUC") USOA for water and wastewater utilities.

Prior to the adoption of the updated USOA, the Board's USOA for sewerage (wastewater) utilities was adopted by the Board, effective April 1, 1957, in I/M/O the Adoption by the Board of a Uniform System of Accounts for Sewerage Utilities, in Docket No. 9312 (Order dated February 6, 1957). The Board's previous USOA for water utilities was adopted by the Board, effective January 1, 1960, in I/M/O the Adoption by the Board of a Uniform System of Accounts for Water Utilities – Class A and B, Class C and D in Docket No. 9326 (Order dated September 30, 1959).

### **Waiver Requests**

By letters dated June 9, 2022, Middlesex Water Company (“Middlesex”) and, its wholly owned subsidiaries, Pinelands Water Company and Pinelands Wastewater Company (collectively, “Pinelands”) requested a waiver of the current operationally effective date, until January 1, 2023, to implement the updated USOA. Middlesex and Pinelands stated that the companies had completed their assessment of the information systems requirements for implementing the 1996 NARUC USOA. The companies further stated that Middlesex’ and Pinelands’ accounting systems utilizes an account structure composed of numerous general ledger account segments to map transactions into accounts that allows for financial information to be parsed into an appropriate form for regulatory reporting, regulatory filings, Securities and Exchange Commission reporting, income tax reporting and internal management reporting, including monthly reporting and budgeting. Middlesex and Pinelands also stated that the companies determined that substantial additional account structure mapping must be undertaken due to both the volume and type of transactions. Each type of transaction must be addressed one-by-one and then verified. Middlesex and Pinelands’ stated that they believed it is important to minimize potential reporting issues, which could arise if the implementation process is otherwise compressed. Based on the foregoing, Middlesex and Pinelands requested that that the deadline for implementing the NARUC USOA be extended by one year until January 1, 2023.

By letter dated, July 15, 2022, the New Jersey Division of Rate Counsel (“Rate Counsel”) submitted its comments indicated that it did not object to the requested waivers.

### **DISCUSSION AND FINDINGS**

The Board is authorized to relax or waive its rules pursuant to N.J.A.C. 14:1-1.2, which provides that the rules may be liberally construed to permit the Board to carry out its statutory functions. In considering whether to grant a request for a waiver, the Board looks to the standards provided in this rule. In special cases, upon a showing of good cause, the Board may relax or permit deviations from the rule. N.J.A.C. 14:1-1.2(b). Additionally, the Board shall waive sections of the rule if it adversely affects ratepayers, hinders safe, adequate and proper service, or is in the interest of the general public. N.J.A.C. 14:1-1.2(b)(1).

Middlesex and Pinelands both described the process that each company must undertake in order to convert their current accounting systems to the NARUC USOA. Both companies need to place newly incurred costs into the new accounts, transferring existing accounts into the new accounts and conduct a thorough analysis to ensure appropriate mapping of those accounts to the appropriate new account in the NARUC USOA.

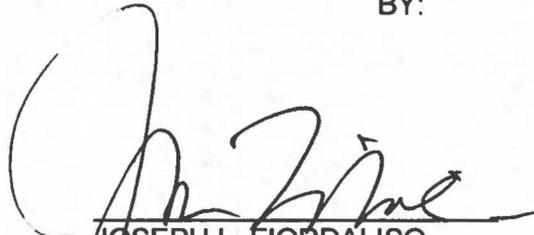
The Board **NOTES** that the existing water and wastewater USOA became effective on January 1, 2022. The Board also **NOTES** that Rate Counsel does not object to the requested waivers.

Based on the foregoing, the Board **FINDS** that good cause exists to grant the requested waivers. The Board therefore **HEREBY EXTENDS** the effective date that Middlesex and Pinelands must implement the NARUC USOA from January 1, 2022 until January 1, 2023.

The effective date of this Order is November 16, 2022.

DATED: November 9, 2022

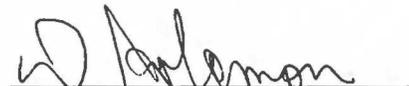
BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



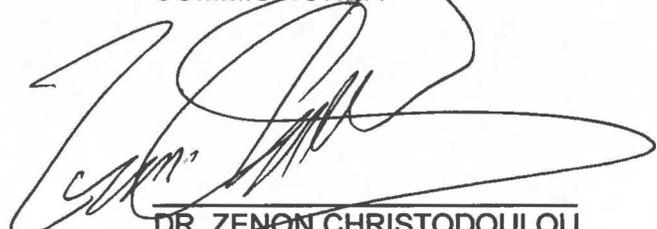
MARY-ANNA HOLDEN  
COMMISSIONER



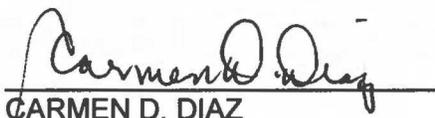
DIANNE SOLOMON  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER



DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:   
CARMEN D. DIAZ  
ACTING 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 AMENDMENT TO N.J.A.C. 14:9 ADOPTION BY REFERENCE OF  
THE UNIFORM SYSTEM OF ACCOUNTS FOR WATER UTILITIES  
DOCKET NO. WX19050612

IN THE MATTER OF THE AMENDMENT TO N.J.A.C. 14:9 ADOPTION BY REFERENCE OF  
THE UNIFORM SYSTEM OF ACCOUNTS FOR WASTEWATER (SEWER) UTILITIES  
DOCKET NO. WX19050613

SERVICE LIST

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