

WATER

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 1st Floor Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

IN THE MATTER OF MIDDLESEX WATER COMPANY FOR APPROVAL OF AN INCREASE IN ITS RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES)))	ORDER SUSPENDING INCREASES, CHANGES OR ALTERATIONS IN RATES FOR WATER SERVICE
)	DOCKET NO. WR23050292

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel **Stephen B. Genzer, Esq.,** Saul Ewing Arnstein and Lehr, LLP, on behalf of Middlesex Water Company

BY THE BOARD:

On May 15, 2023, 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, N.J.A.C 14:9-7.1 et seq., and N.J.A.C. 14:9-10 et seq., Middlesex Water Company ("Middlesex," "Company," or "Petitioner"), a regulated public utility of the State of New Jersey with its principal offices located at 485C Route One South, Suite 400, Iselin, New Jersey, 08830, filed a petition seeking approval of an increase in its base water rates ("Petition").

The Company serves approximately 61,000 retail water customers throughout the State of New Jersey. Middlesex also provides wholesale water service to the City of Rahway; the Townships of Edison and Marlboro; the Borough of Highland Park; and the Old Bridge Municipal Utilities Authority. The Company also provides water treatment and pumping services to the Township of East Brunswick.

By the Petition, Middlesex proposed rates that would increase its revenues by approximately \$33.9 million, or 31.23%, above its current revenues of \$109.3 million for services rendered on and after June 15, 2023("Proposed Rates").\(^1\) The Company indicated that it would then implement the Proposed Rates on February 15, 2024, on an interim basis pursuant to law, applicable regulations, and Board policy if the Board suspended the effective date of the proposed

_

¹ By correspondence dated May 30, 2023, the Petitioner indicated that it would not implement its proposed interim rates prior to Board's June 29, 2023 Agenda meeting.

rates pursuant to N.J.S.A. 48:2-21 but not finally determined a new just and reasonable tariff prior to that date.

According to the Petition, the Company seeks recovery of prudent investments made to address aging drinking water infrastructure and others to help ensure continued resiliency and overall quality of service. The Company indicated that it invested approximately \$136 million as part of its Water for Tomorrow capital improvement program, which includes several large-scale infrastructure projects, all of which have been completed but not currently reflected in customer's rates.

Middlesex noted that its large-scale infrastructure projects include: 1) the Granular Activated Carbon water treatment system installed at the Park Avenue Water Treatment Plant facility to ensure compliance with recent New Jersey Department of Environmental Protection regulations pertaining to perfluoroalkyl and polyfluoroalkyl chemicals; 2) replacement of aging areas of Middlesex's water distribution system including mains, valves, service lines, and meters under the Company's RENEW program; and 3) replacement of approximately 25,000 feet of distribution mains and their related service, valves, and meters in accordance with the New Jersey Water Quality Accountability Act.

Because the proposed revisions, if approved, will likely increase existing rates and change or alter existing classifications in the Petitioners tariff, it is **HEREBY ORDERED** as follows:

- (1) Pursuant to N.J.S.A. 48:2-21(d), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions are suspended until October 15, 2023, unless prior to that date the Board makes a determination disposing of the Petition or enters an Order further suspending the proposed revisions;
- (2) Middlesex shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law ("OAL"), file with this Board, and with the OAL, 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) Middlesex shall serve copies of this Order upon the OAL, the Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Boards of County Commissioners of each affected county, 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.

This Order shall be effective on June 29, 2023.

DATED: June 29, 2023

BOARD OF PUBLIC UTILITIES

BY:

JOSEPH'L. FIORDALISO PRESIDENT

COMMISSIONER

DR. ZENON CHRISTODOULOU

COMMISSIONER

COMMISSIONER

COMMISSIONER

ATTEST:

SHERRIL GOLDEN

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 MIDDLESEX WATER COMPANY FOR APPROVAL OF AN INCREASE IN ITS RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES

BPU DOCKET NO. WR23050292

SERVICE LIST

Middlesex Water Company

Stephen B, Genzer, Esq, Saul Ewing, Arntsein & Lehr, LLP One Riverfront Plaza, Suite 1520 1037 Raymond Blvd, Newark, NJ 07102-5426 stephen.genzer@saul.com

Jay L. Kooper, Esq. Vice President and General Secretary Middlesex Water Company 485C Route One South, Suite 400 Iselin, NJ 08830 jkooper@middlesexwater.com

Division of Rate Counsel

140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director blipman@rpa.nj.gov

Susan McClure, Esq. Assistant Deputy Rate Counsel smcclure@rpa.nj.gov

Department of Law and Public Safety

Division of Law Public Utilities Section 25 Market Street, Post Office Box 112 Trenton, NJ 08625

Daren Eppley, Section Chief, DAG Daren.eppley@law.njoag.gov

Pamela Owen, DAG Assistant Section Chief pamela.owen@law,njoag.gov

Meliha Arnautovic, DAG meliha.arnautovic@law.njoag.gov

Brandon Simmons, DAG brandon.simmons@law.njoag.gov

Board of Public Utilities

44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary board.secretary@bpu.nj.gov

Taryn Boland, Chief of Staff taryn.boland@bpu.nj.gov

Bob Brabston, Esq. Executive Director bob.brabston@bpu.nj.gov

Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov

Office of General Counsel

Michael Beck, General Counsel michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel carol.artale@bpu.nj.gov

Michael Hunter, Regulatory Officer michael.hunter@bpu.nj.gov

Division of Water and Energy

Michael Kammer, Director mike.kammer@bpu.nj.gov

Malike Cummings, Deputy Director malike.cummings@bpu.nj.gov

Kofi Ocansey, Administrative Analyst kofi.ocansey@bpu.nj.gov

Andrew Tuzzo, Rate Analyst andrew.tuzzo@bpu.nj.gov

Yanina Lepore, Principal Engineer yanina.lepore@bpu.nj.gov