NOTICE OF PUBLIC HEARING MIDDLESEX WATER COMPANY

IN THE MATTER OF THE PETITION OF MIDDLESEX WATER COMPANY FOR APPROVAL OF A FOUNDATIONAL FILING FOR ESTABLISHING A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

BPU Docket No. WR23050288

PLEASE TAKE NOTICE that on May 15, 2023, Middlesex Water Company ("Company") filed a petition ("Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") pursuant to <u>N.J.A.C.</u> 14:9-10.1 <u>et seq.</u>, seeking approval of a Foundational Filing to implement a Distribution System Improvement Charge ("DSIC"). A DSIC is a rate recovery mechanism to encourage and support accelerated rehabilitation and replacement of certain non-revenue-producing critical water distribution components. Such projects include main replacement and renewal and the renewal of valves, hydrants, and service connections. Its purpose is to enhance safety, reliability, water quality, systems flows and pressure, and/or conservation. A DSIC rate is interim, subject to refund, until the subsequent base rate case.

The Petition consists of a Foundational Filing that lists the projects the Company believes are eligible for recovery through the DISC surcharge for the period 2023 through 2026. Please note that the Company proposes to collect a maximum DSIC revenue requirement of no more than 5.0% of the utility's total water revenues established in the Company's most recent base rate case. The Company will implement the DSIC surcharge if, and when, it achieves specific levels of infrastructure investment and places the facilities into service as required by N.J.A.C. 14:9-10.1 et seq.

The Company proposed that the DSIC surcharge be assessed as to the following services and classes of customers based on meter size or service connection: General Metered Service and Private Fire Protection Service. Pursuant to BPU regulations, public fire service charges are not affected by this surcharge. It is important to note that any surcharges on customer bills implemented due to the DSIC will be revised on a semi-annual basis. The maximum surcharges, shown in Table 1 below, are not intended or expected to be reached until the conclusion of both the Foundational Filing proceeding and subsequent semi-annual DSIC filings. The Company expects the rates to be assessed incrementally over a three-year period commensurate with the Company's actual DSIC program capital spending.

The maximum proposed DSIC rates allowable for recovery pursuant to <u>N.J.A.C.</u> 14:9-10.1 <u>et seq.</u> are set forth in Table 1 below.

A copy of the Petition is available for public inspection on the Company's website at <u>http://www.middlesexwater.com/customer-care/regulatory</u>. The Petition is also available to review online through the Board's website, <u>https://publicaccess.bpu.state.nj.us/</u> where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board, located at 44 South Clinton Avenue, 1st Floor, Trenton, New Jersey, with an appointment. To make an appointment, please call (609) 913-6298.

PLEASE TAKE FURTHER NOTICE that, due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Petition:

Date: September 7, 2023 Hearing Times: 4:30 p.m. and 5:30 p.m.

Join Zoom Meeting https://middlesexwater.zoom.us/j/81226649993?pwd=L3EyY3h6R3h6aGlrZ2NNVmlvM09OUT09

Meeting ID: 812 2664 9993 Passcode: 596183

One tap mobile +19292056099,,81226649993#,,,,*596183# US (New York) +16469313860,,81226649993#,,,,*596183# US

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Passcode: 596183

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Meeting ID: 812 2664 9993 Passcode: 596183

> Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the Meeting ID or the Dial-In Number set forth above and may express their views on this Petition. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at <u>board.secretary@bpu.nj.gov.</u>

> The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's Public Document Search tool. Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage, https://www.nj.gov/bpu/agenda/efiling/.

Emailed and/or written comments may also be submitted to: Secretary of the Board 44 South Clinton Ave., 1st Floor PO Box 350 Trenton, NJ 08625-0350 Phone: 609-913-6241 Email: board.secretary@bpu.nj.gov

PROPOSED DSIC SURCHARGE RATES ¹		
General Metered Service		
Maximum Proposed DSIC Surcharge:		
	Proposed	Proposed
	Monthly	Quarterly
Meter Size	Rate	Rate
5/8"	\$3.23	\$9.69
3/4"	\$ 4.85	\$ 14.55
1"	\$ 8.08	\$ 24.24
1-1/2"	\$ 16.16	\$ 48.48
2"	\$ 25.86	\$ 77.58
3"	\$ 48.48	\$ 145.44
4"	\$ 80.80	\$ 242.40
6"	\$ 161.61	\$ 484.83
8"	\$ 258.57	\$ 775.71
10"	\$ 371.70	\$1,115.10
12"	\$ 694.91	\$2,084.73

Table 1:

MIDDLESEX WATER COMPANY 485C Route One South, Suite 400 Iselin, New Jersey 08830

 $^{^{1}}$ The maximum surcharge is 5%, implemented in semi-annual increments as approved projects are placed into service, likely over a 12 - 36 month period.