

By this Order, the Board considers the Initial Decision Settlement (“Initial Decision”) recommending adoption of the Stipulation of Settlement (“Stipulation”) executed by the Company, Board Staff, and the Division of Rate Counsel (“Rate Counsel”) (collectively the “Signatory Parties”), agreeing to an overall increase in revenues totaling \$5,000,000 representing a 7.11% increase over Company revenues totaling \$70,276,907. Marlboro and Old Bridge, while not Signatory Parties, submitted letters stating they do not object to the terms of the Stipulation.

BACKGROUND/PROCEDURAL HISTORY

The Company serves approximately 59,000 water and wastewater 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 and the Township of Clark in Union County. On a contract basis, the Company serves part of the Township of Edison, the Boroughs of Highland Park and Sayreville, the Old Bridge Municipal Utilities Authority, Marlboro Township and the City of Rahway. The Company also serves, under a special contract basis for water treatment and pumping services, the Township of East Brunswick.

The Company requested the increase in rates to become effective on May 4, 2015.³ By Order dated May 19, 2015, with an effective date of May 29, 2015, the Board suspended the Company’s proposed rate increase until September 4, 2015. The Petitioner did not seek interim rate relief pending final determination on the petition.

This matter was transmitted to the Office of Administrative Law (“OAL”) on April 6, 2015, and Administrative Law Judge (“ALJ”) Gail M. Cookson was assigned to hear the case. Motions to intervene were filed by Marlboro Township (“Marlboro”), the Old Bridge Municipal Utilities Authority (“Old Bridge”), and the Township of East Brunswick (“East Brunswick”), all of which were unopposed, and ALJ Cookson subsequently granted said motions.

A telephone Pre-Hearing Conference was held by ALJ Cookson on May 6, 2015. A Prehearing Order was issued assigning the burden of proof to the Company, setting forth a procedural schedule, and scheduling the matter for hearings. The Company has since provided a number of updates to its original filing, including updated information regarding numerous aspects of the Company’s financial condition, operations, and capital investment.

its new DSIC Foundational Filing. However, the Company has, in the Stipulation, withdrawn its request for Board approval of a new DSIC Foundational Filing as part of this base rate case. The Company intends to file its new DSIC Foundational Filing separately from this base rate case. On May 6, 2015, the Company issued its Third Revised Sheet No. 44 Canceling Second Sheet No. 44 [Rate Schedule 9 - DSIC] effective for service rendered on or after May 12, 2015. The proposed base rate increase incorporates the entirety of the September 1, 2014 through February 28, 2015 DSIC recovery period. Additionally, the only other DSIC projects eligible to be included in the base rate case are those that were placed in-service between March 1, 2015 and June 30, 2015, the end of the test year.

³ On April 8, 2015, 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 May 20, 2015 (the Board agenda meeting was subsequently changed to and held on May 19, 2015).

After proper notice was given, a public hearing in the service territory was held on the evening of June 15, 2015 in Fords, New Jersey. No members of the public appeared at the public hearing. Subsequent to the public hearing, the parties to the proceeding engaged in numerous settlement negotiations and as a result of these discussions and hundreds of discoverable information requests, the Signatory Parties reached a settlement on all issues. The Signatory Parties subsequently executed a Stipulation of Settlement ("Stipulation").

On July 28, 2015, ALJ Cookson issued her Initial Decision in this matter recommending adoption of the Stipulation executed by the Signatory Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.⁴

DISCUSSIONS AND FINDINGS

Among the provisions of the Stipulation, the Signatory Parties recommend that the Company's base rates be increased by \$5,000,000, representing an approximate 7.11% increase over Company revenues totaling \$70,276,907.⁵ The Signatory Parties further recommend a rate base of \$219,000,000 with a test year ending June 30, 2015, adjusted for known and measurable changes and that the Company be authorized a return on equity of 9.75%. The Signatory Parties have also agreed this return on equity will calculate to an overall authorized rate of return of 6.73%, derived from the overall capital structure of 51.36% equity with a cost rate of 9.75% and 48.36% long-term debt with a cost rate of 3.53%, and 0.28% preferred stock with a cost rate of 5.01%. The capital structure does not include short-term debt.

The Signatory Parties further recommend the following:

- While agreeing for the purposes of this Stipulation to the results of the allocations as evidenced in the tariffs and proof of revenues attached to this Stipulation, the Signatory Parties hereto have not agreed upon any specific allocation methodology or policy in the resolution of the rate design issues raised in this proceeding.
- The Signatory Parties agree that the Board should update the findings required by N.J.A.C. 14:9-7.1 et seq. related to the Company's PWAC. Those updated findings are contained in the PWAC base consumption and base costs data annexed hereto as Exhibit C, which was also provided in Exhibit H to the Petition.

The Signatory Parties agree and recommend that the tariff pages attached as (Exhibit B -Tariff) to the Stipulation, implementing the terms of this Stipulation, should be approved in their entirety, and recommend their approval by the ALJ and the Board.⁶ The proposed tariff pages reflect an increase of approximately 9.58% for General Metered Service [Rate Schedule No. 1]. The tariff pages also reflect the following changes:

⁴ None of the intervenors are a party to the Stipulation, and each submitted a letter expressing no objection or opposition to the Stipulation as follows: East Brunswick (July 24, 2015); Marlboro (July 20, 2015); and Old Bridge (July 20, 2015).

⁵ Although described in the Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

⁶ The Company also proposed certain non-revenue changes and corrections to its tariffs in Exhibit A to the Petition. The Signatory Parties have reviewed those proposed corrections and changes, and agree that they should be accepted. Those revisions are also included in Exhibit B hereto.

- (a) There is no increase in the Private Fire Service rate [Rate Schedule No. 2];
- (b) The Public Fire Service Rate [Rate Schedule No. 3] has been revised to reflect that hydrant charges have been increased 5.73%, while inch foot charges have not been changed, resulting in an overall increase of 4.0%;
- (c) The Service Under Contract Rate [Rate Schedule No. 5] has been increased by 0.80%;
- (d) The Special Contract Service rate [Rate Schedule No. 6] has been increased by 0.80%;
- (e) The Transmission Service South River Basin rate [Rate Schedule No. 7] has been increased 5.05%; and
- (f) The Transmission Service Northeast Sector rate [Rate Schedule No. 8] has been increased 5.05%.

The Signatory Parties additionally agree and recommend the proposed tariff language revisions for non-revenue changes, reflected in Exhibit A to the Petition and Exhibit B hereto, be approved.

The Signatory Parties agree that they will initiate and hold, prior to the Company's next base rate proceeding, a cooperative evaluation to explore and address appropriate options raised by any Party with respect to the need for, and amount of, the Company's future purchased water contractual needs. This cooperative evaluation report shall be completed and available to the Signatory Parties upon the filing of the next base rate proceeding or by December 31, 2018, whichever comes first.

The Company agrees that its request to approve a new Foundational Filing is hereby withdrawn, but the Signatory Parties are aware of the Company's intention to file a new DSIC Foundational Filing pursuant to Board regulations. Furthermore, the Company is aware that a new Foundational Filing must be approved by the Board before any new DSIC investment and/or DSIC rate recovery can occur and that the DSIC rate shall be reset to zero at the conclusion of the base rate case.

The Board is mindful of the impact any rate increase has on its customers. However, having reviewed the record in this matter, including ALJ Cookson's Initial Decision, the Stipulation and the letters from East Brunswick, Marlboro, and Old Bridge indicating that they do not oppose the Stipulation, the Board **FINDS** that the Signatory Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. In reaching this decision, the Board must balance the needs of the ratepayer to receive safe, adequate and proper service at reasonable rates, while allowing the utility the opportunity to earn a fair rate of return. See FPC v. Hope Natural Gas, 320 U.S. 591 (1944); N.J.S.A. 48:2-21 and N.J.S.A. 48:3-1. Therefore, the Board **FINDS** the Initial Decision, which adopts the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein, subject to the following:

- a. The tariff sheets attached to the Stipulation containing rates and charges conforming to the Stipulation and designed to produce the additional revenues to which the Signatory Parties have stipulated herein are **HEREBY ACCEPTED**; and
- b. The stipulated increase and the tariff design allocations for each customer classification are **HEREBY ACCEPTED**.

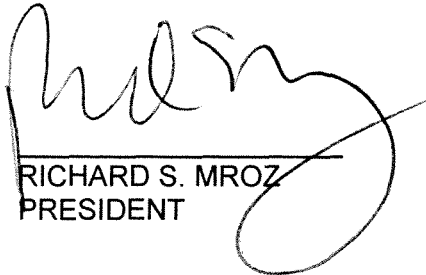
Based upon the forgoing, the Board **HEREBY APPROVES** an overall increase in revenues in the amount of \$5,000,000 representing an approximate 7.11% increase over Company revenues totaling \$70,276,907.


The Board **HEREBY ORDERS** the Company to submit complete revised tariffs conforming to the terms and conditions of the Stipulation and this Order within five (5) days from the date of this Order.

This Order shall be effective on August 29, 2015.

DATED: 8/19/15

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

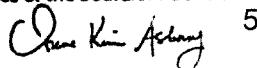

DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:

IRENE KIM ASBURY
SECRETARY

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

 5

**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. WR15030391
OAL Docket No. PUC 04725-2015N**

SERVICE LIST

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Glenpointe Centre West
500 Frank W. Burr Boulevard
Teaneck, NJ 07666



RECEIVED

JUL 21 2015

CMS

State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 04725-15

AGENCY DKT. NO. WR15030391

**I/M/O PETITION OF THE MIDDLESEX WATER
COMPANY FOR APPROVAL OF AN INCREASE IN
ITS RATES FOR WATER SERVICE AND
OTHER TARIFF CHANGES**

JUL 30 2015

Water/Kammer

Stephen B. Genzer, Esq., for petitioner Middlesex Water Company, (Saul Ewing, attorneys)

Veronica Beke and Christopher Psihoules, Deputy Attorneys General, for Staff of the Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey, attorney)

CMS

Legal

V Haynes

D. Lee-Mans

M. Moran

Susan McClure, Assistant Deputy Public Advocate, for Division of Rate Counsel (Stefanie A. Brand, Director)

M Kammer

J. Gertsman

E. Bestow

C. Wachter

Kevin A. Conti, Esq., for intervenors Township of Marlboro and Old Bridge Municipal Utilities Authority (DeCotiis Fitzpatrick & Cole, attorneys)

WATER

Jean L. Cipriani, Esq., for intervenor Township of East Brunswick (Gilmore & Monahan, attorneys)

Record Closed: July 28, 2015

Decided: July 28, 2015

BEFORE GAIL M. COOKSON, ALJ:

On or about April 7, 2015, this matter was transmitted to the Office of Administrative Law (OAL) for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F-1 to- 13, on the petition of Middlesex Water Company for approval to increase its rates and other related relief. On or about May 4, 2015, the case was assigned to the undersigned. On May 6, 2015, I convened a telephonic case management conference during which discovery procedures were discusses and the public and plenary hearing dates were scheduled. By Order entered on May 19, 2015, the Board suspended the new rates from going into effect until September 4, 2015. On June 15, 2015, I presided over a public hearing at the Woodbridge Public Library in Fords, New Jersey. No member of the public attended.

Several case management conferences were convened in the intervening period of discovery. Prior to the scheduled hearing dates, the parties advised that they had reached a tentative resolution of the issues in dispute. In fulfillment of the agreement, the parties submitted under cover of July 27, 2015, a fully-executed Stipulation of Settlement, which is attached hereto and made part hereof. It resolves this rate proceeding to the full satisfaction of the parties. Municipal intervenors submitted letters setting forth that each of them has no objection to entry of the Stipulation. Accordingly, and on that basis, I have reviewed the record and terms of the Consent Order and **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with law.

I **CONCLUDE** that the agreement meets the requirements of N.J.A.C. 1:1-19.1 and therefore, it is **ORDERED** that the matter be deemed dismissed with prejudice and that these proceedings be and are hereby concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

July 28, 2015

DATE



GAIL M. COOKSON, ALJ

Date Received at Agency: _____

Date Mailed to Parties: _____

id

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

RECEIVED
2015 JUL 28 AM 11:00
STATE OF NEW JERSEY
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 :

STIPULATION OF SETTLEMENT
BPU DOCKET NO. WR15030391
OAL DOCKET NO. PUC 04725-2015N

APPEARANCES:

Stephen B. Genzer, Esq., Saul Ewing LLP, and Jay L. Kooper, Esq., on behalf of Middlesex Water Company, Petitioner

Veronica Beke, Deputy Attorney General, and Christopher Psihoules, Deputy Attorney General (John J. Hoffman, Acting Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

Debra F. Robinson, Esq., Deputy Rate Counsel, and Susan McClure, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director)

Kevin A. Conti, Esq., DeCotiis, FitzPatrick & Cole, LLP, on behalf of the Old Bridge Municipal Utilities Authority and Marlboro Township

Jean L. Cipriani, Esq., Gilmore & Monahan, P.A., on behalf of the Township of East Brunswick

TO THE HONORABLE GAIL M. COOKSON, ALJ AND THE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement resolves all issues raised in BPU Docket No. WR15030391 in which Middlesex Water Company ("Middlesex" or the "Company") seeks to increase its rates for water service and other tariff changes. The Signatory Parties to this Stipulation of Settlement are Middlesex, the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Staff")(collectively the "Signatory Parties"). Also participating in this proceeding are the following entities who filed Motions to Intervene, which were unopposed by the Company, including Marlboro Township ("Marlboro"), the Old Bridge Municipal Utilities Authority ("Old Bridge"), and the Township of East Brunswick ("East

Brunswick”) (collectively the “Intervenors”). Together, the Signatory Parties and the Intervenors shall be designated the “Parties”. The Intervenors submitted letters that do not object to the terms of the Stipulation of Settlement.

As a result of an analysis of the petition, pre-filed testimony and exhibits, several conferences, negotiations, responses to hundreds of information requests and follow-up requests, and a public hearing held in the service territory, the Signatory Parties execute this agreement to resolve the issues in dispute in this matter. The Signatory Parties hereto AGREE and STIPULATE that:

On March 31, 2015, 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. 14:1-5.11, 14:1-5.12, 14:9-7.1 et seq. and N.J.A.C. 14:9-10.1 et seq., filed a petition to increase rates for water service, to make other tariff changes, and to update the base consumption and base costs established in the Company’s prior base rate proceeding¹ and utilized when setting the Company’s Purchased Water Adjustment Clause (“PWAC”) under N.J.A.C. 14:9-7.1 et seq. in BPU Docket No. WR12010027. The Company also requested authority to establish a Distribution System Improvement Charge (“DSIC”), and to update its Foundational Filing² to include future planned DSIC-eligible projects. The Company requested a rate increase of approximately \$9.45 million

¹ The Company’s prior base rate case in BPU Docket No. WR13111059 concluded by Order of the Board filed June 18, 2014, with rates effective July 20, 2014.

² The Company’s current DSIC Foundational Filing was Board-approved on August 20, 2014 in BPU Docket No. WR14050508. On March 12, 2015, the Company made its updated DSIC semi-annual filing for the September 1, 2014 through February 28, 2015 DSIC recovery period under the same docket number. By its March, 2015 base rate filing in BPU Dkt. No. WR15030391, the Company reserved Exhibit K to be used for its new DSIC Foundational Filing. However, the Company has, in this Stipulation, withdrawn its request for Board approval of a new DSIC Foundational Filing as part of this base rate case. The Company intends to file its new DSIC Foundational Filing separately from this base rate case. On May 6, 2015, the Company issued its Third Revised Sheet No. 44 Cancelling Second Sheet No. 44 [Rate Schedule 9 DSIC] effective for service rendered on or after May 12, 2015. The proposed base rate increase incorporates the entirety of the September 1, 2014 through February 28, 2015 DSIC recovery period. Additionally, the only other DSIC projects eligible to be included in the base rate case are those that were placed in-service between March 1, 2015 and June 30, 2015, the end of the test year.

or approximately 13.53% above the adjusted annual level of present rate revenues for the test year ending June 30, 2015.

The Board transmitted the matter to the Office of Administrative Law ("OAL") and Administrative Law Judge Gail M. Cookson was assigned to hear the case. A telephone Pre-Hearing Conference was held by Judge Cookson on May 6, 2015. On May 19, 2015, the Board issued an Order suspending the proposed rate increase until September 4, 2015.³ After notice was given, a public hearing in the service territory was held in Fords, New Jersey on the evening of June 15, 2015. No members of the public appeared at the public hearing.

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

Settlement Terms

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

1. For the purposes of this agreement, the Company's total rate base is agreed to be \$219,000,000 based on a 12-month test year ending June 30, 2015, adjusted for certain known and measurable changes.

2. Also for the purposes of this agreement, the Signatory Parties agree to a capital structure consisting of 48.36% long-term debt, 0.28% preferred stock, and 51.36% common equity with respective cost rates of 3.53%, 5.07%, and 9.75%. Based on this capital structure and cost rates, the Signatory Parties have further agreed to an overall rate of return (ROR) of 6.73%. The table below shows how this ROR is obtained.

³ 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, May 19, 2005, BPU Dkt No. WR15030391.

	Cap. Structure	Cost Rate	Weighted Cost Rate
Long Term Debt	48.36%	3.53%	1.71%
Preferred Stock	0.28	5.07	0.01
Common Equity	<u>51.36</u>	9.75	<u>5.01</u>
	100.00%		6.73%

The Signatory Parties, therefore, propose a 6.73% ROR or weighted average cost of capital (WACC) be applied to rate base. A return on equity (ROE) capital rate of 9.75% is thus recommended.

3. The Signatory Parties agree that applying this 6.73% ROR to the rate base of \$219,000,000 results in a \$5,000,000 increase to the Company's revenue requirement, which represents an approximate 7.11% increase over the present rate revenue of \$70,276,907. The table below shows how the \$5,000,000 increase in revenue requirement can be obtained.

Rate Base	\$219,000,000
Rate of Return	x 6.73%
Required Operating Income	\$ 14,738,700
Operating Income-Present Rates	<u>- 11,913,362</u>
Deficiency	2,825,338
Revenue Conversion Factor	x <u>1.76970</u>
Revenue Requirement	\$ 5,000,000

4. The Signatory Parties therefore agree that the \$5,000,000 increase to the Company's revenue requirement should represent a level of revenue necessary to ensure that the Company will continue to provide safe, adequate, and proper water service to its customers. And see Exhibit A (proof of revenues).

5. The Company has submitted its proposed tariff pages⁴, annexed hereto as Exhibit B, pursuant to N.J.A.C. 14:3-1.3, and the Signatory Parties agree that those Rate Schedules implement the terms of this Stipulation. The proposed tariff pages reflect an increase of

⁴ Please note that the Company also proposed tariff amendments in Exhibit A to the Petition. The Signatory Parties have agreed to these tariff amendments, annexed hereto as Exhibit B to the stipulation.

approximately 9.58% for General Metered Service [Rate Schedule No. 1]. The tariffs also reflect the following changes:

- (a) no increase in the Private Fire Service fixed rate [Rate Schedule No. 2];
- (b) the Public Fire Service rate [Rate Schedule No. 3] has been revised to reflect that hydrant charges have been increased 5.73% while inch foot charges have not been changed, resulting in an overall increase of 4.0%;
- (c) the Service Under Contract rate [Rate Schedule No. 5] has been increased 0.80%;
- (d) the Special Contract Service rate [Rate Schedule No. 6] has been increased 0.80%;
- (e) the Transmission Service South River Basin rate [Rate Schedule No. 7] has been increased 4.90%; and
- (f) the Transmission Service Northeast Sector [Rate Schedule No. 8] has been increased approximately 9.58%.

The Signatory Parties therefore recommend the proposed tariff pages, reflecting just and reasonable rates, be approved in their entirety.

6. While agreeing for purposes of this Stipulation to certain allocation results as evidenced in the proposed tariff pages and proof of revenues exhibit attached to this Stipulation of Settlement, the Parties hereto have not agreed upon any specific allocation methodology in the resolution of the various rate design issues raised in this proceeding.

7. The Signatory Parties agree that they intend to initiate and hold, prior to the Company's next base rate proceeding, a cooperative evaluation to explore and address appropriate options raised by any Party with respect to the need for, and amount of, the Company's future purchased water contractual needs. This cooperative evaluation report shall be completed and available to the Signatory Parties upon the filing of the next base rate proceeding or by December 31, 2018, whichever comes first.

8. The Signatory Parties acknowledge that, as raised in the Petition, Middlesex continues to experience a decline in its commercial and industrial customer load, charged within its tariffs for the General Metered Service ("GMS") class. Middlesex's industrial and commercial load is nearly 30% of the GMS class, making this issue uniquely significant to Middlesex. The concentration of declining usage combined with lost customers has created a unique circumstance with respect to how rates should be appropriately set within the Company's tariff structure. The Parties therefore agree to initiate and hold, prior to the Company's next base rate proceeding, collaborative discussions to explore and address appropriate options with respect to the Company's tariffs.

9. The Signatory Parties agree that the Board should update the findings required by N.J.A.C. 14:9-7.1 et seq. related to the Company's PWAC. Those updated findings are contained in the PWAC base consumption and base costs data annexed hereto as Exhibit C, which was also provided in Exhibit H to the Petition.

10. The Company agrees that its request to approve a new DSIC Foundational Filing is hereby withdrawn, but the Signatory Parties are aware of the Company's intention to file a new DSIC Foundational Filing pursuant to BPU regulations.

10(a). The DSIC Foundational Filing approved by the Board on August 20, 2014 in BPU Docket No. WR14050508 shall end and the DSIC rate shall be reset to zero at the conclusion of this base rate case. No additional DSIC investment and no DSIC rate recovery can occur prior to the Board's approval of a new DSIC Foundational Filing pursuant to N.J.A.C. 14:9-10.4(b)(6).


11. This Stipulation is the product of extensive negotiations by the Signatory Parties, 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 Signatory Parties to this Stipulation that this settlement, once accepted and approved by the

Board, shall govern all issues specified and agreed to herein. The Signatory 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 Signatory Parties have stipulated herein. The Signatory 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 Signatory 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 Signatory Party hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Signatory 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 Signatory 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.

12. 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

Date: 7/27/15

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

JOHN J. HOFFMAN,
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date: _____

By: _____
Veronica Beke
Deputy Attorney General

STEFANIE A. BRAND, ESQ.,
DIRECTOR - RATE COUNSEL

Date: _____

By: _____
Susan McClure, Esq.
Assistant Deputy Public Advocate

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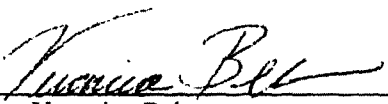
MIDDLESEX WATER COMPANY

Date:

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

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

7/27/2015
Date:

By: 
Veronica Beke
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR - RATE COUNSEL

Date:

By: _____
Susan McClure, Esq.
Assistant Deputy Public Advocate

12. 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

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

JOHN J. HOFFMAN,
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date: _____
By: _____
Veronica Beke
Deputy Attorney General

STEFANIE A. BRAND, ESQ.,
DIRECTOR - RATE COUNSEL

Date: 1/27/15
By: _____
Susan McClure, Esq.
Assistant Deputy Public Advocate



April 8, 2015

Honorable Kenneth J. Sheehan
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
9th Floor, PO Box 350
Trenton, NJ 08625-0350

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. WR15030391

Dear Secretary Sheehan:

The undersigned represents the Petitioner, Middlesex Water Company, in the above-referenced matter. Petitioner understands from Staff that the Board of Public Utilities is scheduled to consider the Suspension Order in the above-captioned matter at its May 20, 2015 public agenda session. Given this schedule, Petitioner hereby notifies the Board that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from that May 20, 2015 meeting. This accommodation to Staff does not change the intention of the Company to implement the proposed rates at the conclusion of the suspension period on January 4, 2016, should the Board not issue a final Decision and Order by that date.

If you have any questions, please feel free to contact me. Thank you for your attention to this matter.

Very truly yours,

Jay L. Kooper
Vice President, General Counsel & Secretary

JLK:rk

cc: A. Bruce O'Connor
Attached Service List (via electronic mail)