



Agenda Date: 9/27/23
Agenda Item: VA

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

WATER

IN THE MATTER OF MIDDLESEX WATER)	ORDER FURTHER SUSPENDING
COMPANY FOR APPROVAL OF AN INCREASE IN)	INCREASES, CHANGES OR
ITS RATES FOR WATER SERVICE AND OTHER)	ALTERATIONS IN RATES FOR
TARIFF CHANGES)	WATER SERVICE
)	
)	Docket No. WR23050292
)	OAL Docket No. PUC 04736-2023S

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
Michael R. Burns, Esq., Rainone, Coughlin, Minchello, LLC, on behalf of the Township of Marlboro, Old Bridge Municipal Utilities Authority and Township of East Brunswick Water Utility, Interveners

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

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.

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 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.

By Order dated June 29, 2023, the Board suspended the proposed rate increase until October 15, 2023 pending further action on this matter.² The matter was subsequently transmitted to the Office of Administrative Law ("OAL") as a contested case and was assigned to Administrative Law Judge ("ALJ") Jacob Gertsman for consideration and hearing.

On June 30, 2023, the Old Bridge Municipal Utilities Authority, the Township of Marlboro, and the Township of East Brunswick filed a joint motion seeking leave to intervene ("Joint Motion"). By Order dated August 2, 2023, ALJ Gertsman granted the Joint Motion.

In light of the fact that this matter will not be completed prior to October 15, 2023, it is **HEREBY ORDERED** that:

- (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 further suspended until February 15, 2024, 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 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

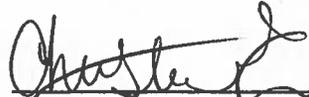
² In re Middlesex Water Company for Approval of an Increase in its Rates for Water Service and Other Tariff Changes, BPU Docket No. WR23050292, Order dated June 29, 2023.

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.

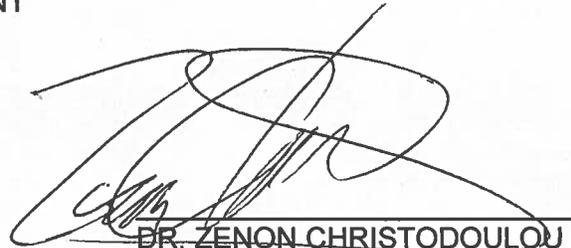
This Order shall be effective on October 4, 2023.

DATED: September 27, 2023

BOARD OF PUBLIC UTILITIES
BY:

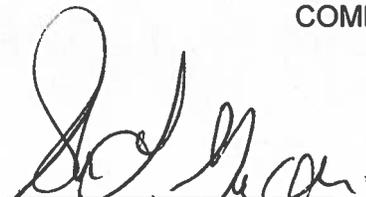

CHRISTINE GUHL-SADOVY
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER

ATTEST:


SHERRI L. 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 and
 OAL Docket No. PUC 04736-2023 S

SERVICE LIST

<p>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</p> <p>Jay L. Kooper, Esq. Vice President and General Secretary Middlesex Water Company 485C Route One South, Suite 400 Iselin, NJ 08830 jkooper@middlesexwater.com</p> <p>Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Susan McClure, Esq. Assistant Deputy Rate Counsel smcclure@rpa.nj.gov</p> <p>Old Bridge Municipal Utilities Authority, Township of Marlboro, Township of East Brunswick</p> <p>Rainone, Coughlin, Minchello, LLC, 555 U.S. Highway One South Suite 440 Iselin, New Jersey 08830</p> <p>Michael R. Burns, Esq mburns@njrcmlaw.com</p> <p>Department of Law and Public Safety Division of Law Public Utilities Section 25 Market Street, Post Office Box 112 Trenton, NJ 08625</p> <p>Daren Eppley, Section Chief, DAG Daren.eppley@law.njoag.gov</p> <p>Pamela Owen, DAG Assistant Section Chief pamela.owen@law.njoag.gov</p>	<p>Meliha Arnautovic, DAG meliha.arnautovic@law.njoag.gov</p> <p>Terel Klein, DAG terel.klein@law.njoag.gov</p> <p>Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Sherri L. Golden, Board Secretary board.secretary@bpu.nj.gov</p> <p>Taryn Boland, Chief of Staff taryn.boland@bpu.nj.gov</p> <p>Bob Brabston, Esq. Executive Director bob.brabston@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of General Counsel</u></p> <p>Michael Beck, General Counsel michael.beck@bpu.nj.gov</p> <p>Carol Artale, Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Michael Hunter, Regulatory Officer michael.hunter@bpu.nj.gov</p> <p><u>Division of Water and Energy</u></p> <p>Michael Kammer, Director mike.kammer@bpu.nj.gov</p> <p>Malike Cummings, Deputy Director malike.cummings@bpu.nj.gov</p> <p>Kofi Ocansey, Administrative Analyst kofi.ocansey@bpu.nj.gov</p> <p>Andrew Tuzzo, Rate Analyst andrew.tuzzo@bpu.nj.gov</p> <p>Yanina Lepore, Principal Engineer yanina.lepore@bpu.nj.gov</p>
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