COZEN O'CONNOR
A Pennsylvania Professional Corporation

December 13, 2017

Ira G. Megdal
Direct Phone 856-910-5007
Direct Fax 877-259-7984
imegdal@cozen.com

VIA FACSIMILE 609-689-4100 AND FEDERAL EXPRESS

Fwd 12/26/17

Honorable Tricia M. Caliguire
Administrative Law Judge
Office of Administrative Law
PO Box 49
Trenton, NJ 08625-0049

Re: In the Matter of Middlesex Water Company for Approval of an Increase in its Rates for Water Service and Other Tariff Changes, and for an Order Authorizing Special Accounting Treatment of Income Tax Refund Proceeds and Future Income Tax Deductions
BPU Docket No. WR17101049
OAL Docket No. PUC 16144-2017 S

Dear Judge Caliguire:

This firm represents New Jersey-American Water Company, Inc. ("NJAWC" or "Movant"). On behalf of Movant we are enclosing its Motion for Leave to Intervene (the "Motion").

For the reasons set forth in the Motion, NJAWC meets the requirements to be accorded full intervention status pursuant to N.J.A.C. 1:1-16.3.

Also enclosed with this letter please find a proposed form of Order and a Certification of Service. Also enclosed is an additional copy of this submission. Please stamp the same as "filed" and return it to the undersigned in the enclosed envelope.

Thank you for your attention to this matter.

Respectfully,

COZEN O'CONNOR, PC

Ira G. Megdal

By: Ira G. Megdal

IGM/kn
Enclosure
cc: Attached Service List (via email and first class mail)

Case Mgmt
J. Kane
C. Vachier

IN THE MATTER OF MIDDLESEX WATER COMPANY FOR APPROVAL OF AN INCREASE IN ITS RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES, AND FOR AN ORDER AUTHORIZING SPECIAL ACCOUNTING TREATMENT OF INCOME TAX REFUND PROCEEDS AND FUTURE INCOME TAX DEDUCTIONS
BPU Docket No. WR17101049
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Service List

Donna Lee-Thomas
Bureau of Case Management
Board of Public Utilities
P.O. Box 350
Trenton, NJ 08625-0350

Jay L. Kooper
Vice President, General Counsel & Secretary
Pinelands Water Company
PO Box 400
Iselin, NJ 08830

Debra F. Robinson, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
PO Box 0003
Trenton, NJ 08625

Renee Greenberg, DAG
Division of Law
124 Halsey St.
PO Box 45029
Newark, NJ 07101

Stephen B. Genzer, Esq.
Saul Ewing Arnstein & Lehr, LLP
One Riverfront Plaza - Ste. #1520
Newark, NJ 07102-5426

Susan E. McClure, Esq.
Assistant Deputy Rate Counsel
Division of Rate Counsel
140 East Front Street, P.O. Box 003
Trenton, NJ 08625

Veronica Beke, DAG
Division of Law
124 Halsey St., PO Box 45029
Newark, NJ 07101

Ira G. Megdal, Esq.
Cozen O'Connor
A Pennsylvania Professional Corporation
LibertyView, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
856-910-5007
Imegdal@cozen.com
Attorneys for Intervenor,
New Jersey-American Water Company, Inc.

IN THE MATTER OF MIDDLESEX WATER COMPANY FOR APPROVAL OF AN INCREASE IN ITS RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES, AND FOR AN ORDER AUTHORIZING SPECIAL ACCOUNTING TREATMENT OF INCOME TAX REFUND PROCEEDS AND FUTURE INCOME TAX DEDUCTIONS	OFFICE OF ADMINISTRATIVE LAW OAL Docket No. PUC 16144-2017 S BPU Docket No. WR17101049

MOTION FOR LEAVE TO INTERVENE
ON BEHALF OF NEW JERSEY-AMERICAN WATER COMPANY, INC.

New Jersey-American Water Company, Inc. ("NJAWC") (the "Movant"), by and through its undersigned counsel, hereby moves for leave in this Middlesex Water Company ("MWC") rate proceeding pursuant to N.J.A.C. 1:1-16.1 et seq. NJAWC respectfully submits that all factors for full intervenor status, as set forth in N.J.A.C. 1:1-16.3, support granting the Movant's motion in the above-captioned proceeding. In support of its motion for intervenor status in this proceeding. NJAWC states as follows:

Preliminary Statement

1. NJAWC seeks leave to intervene in this proceeding solely for the purpose of advancing the interests of its customers. Any increase in rates to NJAWC is passed on to NJAWC's customers dollar-for-dollar, pursuant to the Board's Purchased Water Adjustment Clause ("PWAC") rules. Importantly, no increase in MWC's rates will impact Movant's

shareholder. No such increase will impact Movant's bottom line. However, any such increase will impact the bottom lines of most of Movant's 631,000 water customers, nearly all of whom pay the PWAC and therefore will be affected by any increase in rates emanating from this proceeding.

Background

2. NJAWC is a regulated public utility corporation, engaged in the production, treatment and distribution of water and collection of sewage within its defined service territory within the State of New Jersey. Said service territory includes portions of the following counties: Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union, and Warren. NJAWC currently serves approximately 631,000 water and fire service customers and 41,000 sewer service customers.

3. In this proceeding MWC (the "Petitioner") seeks authority to increase rates for water service by very significant amounts, with some classes of service subject to higher increases than are others. For example, according to schedules filed by MWC in this matter, rates for the service which NJAWC must pay will be increased by 23.1% while the overall rate increase sought by MWC is 19.8%. (Exhibit P-8, Schedule 20, page 4 of 4).

4. NJAWC does not have a direct interconnect with MWC from which it purchases water. As a result, NJAWC entered into an agreement with the Marlboro Township Municipal Utilities Authority ("Marlboro MUA"). The Marlboro MUA has an interconnection with MWC. Under the Agreement for the Supply of Water (the "Agreement") by and between the Marlboro MUA and NJAWC, NJAWC pays the Marlboro MUA, as a direct pass through, charges for water

service that the Marlboro MUA pays to MWC. NJAWC also pays the Marlboro MUA an additional charge for Marlboro MUA to wheel MWC water to NJAWC.

5. NJAWC is contracted to purchase 91.25 million gallons ("mg") from the Marlboro MUA each year. But for MWC's rate increase, NJAWC's customers would pay $394,055 for this water. As a result of MWC's proposed rate increase, NJAWC's customers would pay $449,906 for this water.

6. NJAWC resells to its customers the water that it purchases from Petitioner. Pursuant to the Board's PWAC regulations codified at N.J.A.C. 14:9-7.1, et seq., any increases in rates from MWC are passed directly on to Movant's customers.

7. As a result, any decision of the New Jersey Board of Public Utilities (the "Board") in this matter will have a direct economic impact on NJAWC customers. The impact of any rate increase granted to MWC in the instant case will be included in NJAWC's rates. Therefore it is vital that NJAWC participate in the instant proceeding in order to protect the interests of its customers, as well as to monitor the progress of the case to properly reflect the results of these proceedings in NJAWC's rates.

8. The Agreement with Marlboro provides that the MWC rate charged to Movant for purchased water "shall be increased each and every time the New Jersey Board of Public Utilities (the "BPU") approves an increase in either the Service Rate or Transmission Rate, or both, and the amount of the increase in the [MWC] Component shall be equal to the amount of each BPU-approved increase." In other words, any increase in MWC's rate is passed on to NJAWC, and through the PWAC to NJAWC's customers. **THIS IS THE ONLY PROCEEDING IN WHICH NJAWC CAN ASSURE THE PROPRIETY OF THESE MWC RATE INCREASES TO MOVANT'S CUSTOMERS.**

Argument

9. As a public utility of the State of New Jersey, NJAWC is required to provide safe, adequate and proper service at just and reasonable rates. See N.J.S.A. 48:2-23 and 48:2-21. MWC's proposed rate increase has the potential to have a significant impact on the Movant's ability to discharge its obligation to its customers. As such, Movant has a direct interest in this proceeding and fully meets the criteria for intervention. Specifically, N.J.A.C. 1:1-16.1 sets forth the criteria for intervention:

> [A]ny person or entity not initially a party, who has a statutory right to intervene or who will be substantially, specifically and directly affected by the outcome of a contested case, may on motion, seek leave to intervene.

As set forth herein, Movant satisfies these criteria and should be permitted to intervene as a full party. Most importantly, NJAWC is entitled to intervene because the interests of its customers will be substantially, specifically and directly affected by this proceeding.

10. The Board has recognized the importance of NJAWC's need to protect the interests of its customers. In fact, pursuant to N.J.A.C. 14:9-7.6(b) 8 in each PWAC Petition, NJAWC must provide the following:

> i. The utility's efforts to investigate the basis for any cost increase proposed by its purveyor;
>
> ii. The utility's findings and results of the investigation conducted under i above;

Movant's proposed intervention in this proceeding is necessary in order to meet the obligations imposed by the above regulations.

11. N.J.A.C. 1:1-16.3(a) sets forth further guidance to be used to evaluate a motion to intervene:

> In ruling upon a motion to intervene, the judge shall take into consideration the nature and extent of the movant's interest in the outcome of the case, whether or not the movant's interest is sufficiently different from that of any party so as to add measurably

> and constructively to the scope of the case, the prospect of confusion or undue delay arising from the movant's inclusion, arid other appropriate matters.

12. The Movant's direct economic interest in this proceeding is clear. Any decisions by the Board will have a direct and material impact on the rates paid by NJAWC's customers. Therefore, NJAWC's customers will be substantially affected by the results of this docket, and no other party with different contractual arrangements, points of interconnection, and possible varying interests, can adequately represent its interests or the interests of its customers. No other party is impacted in the same way that NJAWC is impacted.

13. The Movant's intervention will not add confusion to, or otherwise delay, these proceedings in any way. Movant does not know whether a procedural schedule has yet been established, but if it has, movant will abide by the same.

14. All communications with respect to this Motion and in these proceedings should be served on the following persons:

Ira G. Megdal, Esquire
Christine Soares, Esquire
Cozen O'Connor
LibertyView, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
imegdal@cozen.com
csoares@cozen.com

Suzana Duby, Corporate Counsel
New Jersey American Water Company
Short Hills Operations Center
Admin Building
167 J.F.Kennedy Parkway
Short Hills, NJ 07078
Suzana.duby@amwater.com

CERTIFICATION

STATE OF NEW JERSEY)
:
COUNTY OF CAMDEN)

Frank X. Simpson, of full age, being duly sworn, upon his oath deposes and says:

1. I am the Senior Director of Rates and Regulations and I am authorized to make this Certification on behalf of New Jersey-American Water Company, Inc. in this matter.

2. I have reviewed the within Motion and the same is true and correct to the best of my knowledge, information and belief.

3. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

By: _____
Frank X. Simpson

Sworn to and subscribed
before me this 13th day of
December, 2017

_____
Notary

SUSAN D BARTON
Notary Public
State of New Jersey
My Commission Expires Sep 25, 2020

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CERTIFICATION OF SERVICE

Ira G. Megdal, certifies that I am a member of the firm of Cozen O'Connor and on this date I caused copies of the attached Motion for Leave to Intervene of New Jersey American Water Company, Inc. to be served via first class mail upon each of the parties named on the service list attached to this filing. The above statements made by me are true. I am aware that if any statement made by mc is willfully false, I am subject to punishment.

Ira G. Megdal

Dated: December 13, 2017

Ira G. Megdal, Esq.
Cozen O'Connor
A Pennsylvania Professional Corporation
LibertyView, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
856-910-5007
Imegdal@cozen.com
Attorneys for Intervenor,
New Jersey-American Water Company, Inc.

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ORDER GRANTING INTERVENTION

This matter having been presented to the Office of Administrative Law by Cozen O'Connor, attorneys for Intervenor, New Jersey-American Water Company, Inc. ("NJAWC"), Ira G. Megdal, Esq., appearing, on notice to the parties and persons set forth on the attached Service List, and the Administrative Law Judge assigned to preside over this proceeding, having read and considered the moving papers and other documents on file in this matter, including the papers submitted in support of the Motion for Leave to Intervene, and other good cause appearing,

IT IS on this day of , 2017,

ORDERED that:

1. NJAWC is hereby granted leave to intervene and fully participate in the above-entitled matter and that counsel for NJAWC be placed on the Service List for receipt of all case documents, papers, pleadings, discovery materials and exhibits and to receive notification of all hearings, conferences, stipulation discussions and all other proceedings in this matter; and

2. A true, but uncertified, copy of this Order shall be served upon the attached Service List by regular mail within __ days of the date of this Order.

_____, A.L.J.
Tricia M. Caliguire