



November 13, 2019
(Via Federal Express)

Honorable Aida Camacho Welch
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
9th Floor
Trenton, NJ 08625-0350

RECEIVED
CASE MANAGEMENT
NOV 14 2019
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

RECEIVED
MAIL ROOM
NOV 14 2019
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Re: In the Matter of the Petition of Middlesex Water Company for
Approval To Change The Levels of Its Purchased Water Adjustment
Clause Pursuant to N.J.A.C. 14:9-7.1, et seq.
BPU Docket No. WR19111463

Dear Secretary Camacho Welch:

Enclosed herewith for filing please find the original and ten (10) copies of Middlesex Water Company's Petition and supporting Exhibits and Testimony in the above-referenced matter.

Two copies of this Petition have also been served, via Federal Express, upon the Department of Law and Public Safety and upon the Director of the Division of Rate Counsel and, by first class mail upon our Contract customers and upon the clerks of the various municipalities comprising the Petitioner's service territory.

The case may be summarized as a petition for approval to change the levels of a purchase water adjustment clause (PWAC).

Kindly stamp "filed" on the extra copy of the Petition enclosed herewith, and please return it to us in the enclosed, stamped return envelope.

CMS
Legal
DAG
RPA
M. Kammer
WATER (6)

Very truly yours,

Jay L. Kooper
Vice President, General Counsel & Secretary

JLK:sm
Enclosures

cc: Service List A
Service List B

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF :
MIDDLESEX WATER COMPANY FOR :
APPROVAL TO CHANGE THE LEVELS : CERTIFICATE OF SERVICE
OF ITS PURCHASED WATER :
ADJUSTMENT CLAUSE PURSUANT TO :
N.J.A.C. 14:9-7.1, ET SEQ. :

Jay L. Kooper, an Attorney at Law of New Jersey, hereby certifies the following:

On November 13, 2019 I caused to be served by first-class mail, postage prepaid, a copy of the within Petition to each party on the attached Service List B, and two copies thereof via Federal Express to the Department of Law and Public Safety at its address at Division of Law, R.J. Hughes Justice Complex, 25 Market Street, Trenton, NJ 08625 and to the Director, Division of Rate Counsel at its address at State of New Jersey, Division of Rate Counsel, 140 East Front Street - 4th Floor, Trenton, NJ 08625.



Jay L. Kooper

Dated: November 13, 2019

**In the Matter of the Petition of Middlesex Water Company for
Approval to Change The Levels of its Purchased Water Adjustment Clause
BPU Docket No. WR1911_____
OAL Docket No. PUC _____-2019_
~ Service List A ~**

MIDDLESEX WATER COMPANY

<p>Jay L. Kooper Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 jkooper@middlesexwater.com</p>	<p>A. Bruce O'Connor Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 aboconnor@middlesexwater.com</p>	<p>Robert J. Capko Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 rcapko@middlesexwater.com</p>
<p>Tracy Tyrell Middlesex Water Company tyrell@middlesexwater.com (electronic only)</p>	<p>Selena Montero Middlesex Water Company smontero@middlesexwater.com (electronic only)</p>	<p>Michele Tilley Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 mtilley@middlesexwater.com</p>

BOARD OF PUBLIC UTILITIES

<p>Aida Camacho-Welch, Secretary Board of Public Utilities Secretary 44 South Clinton Ave., Suite 314 PO Box 350 Trenton, NJ 08625 Aida.camacho@bpu.nj.gov</p>	<p>Pamela Owens Division of Law Public Utilities Section R.J. Hughes Justice Complex 25 Market Street Trenton, NJ 08625 Pamela.Owens@law.njoag.gov</p>	<p>Kofi Ocansey Board of Public Utilities Division of Water 44 South Clinton Ave., 9th Floor P.O. Box 350 Trenton, NJ 08625 Kofi.Ocansey@bpu.nj.gov</p>
<p>Michael Kammer Board of Public Utilities Division of Water 44 South Clinton Ave., 9th Floor P.O. Box 350 Trenton, NJ 08625 Mike.kammer@bpu.nj.gov</p>	<p>Alex Moreau, DAG Division of Law Public Utilities Section R.J. Hughes Justice Complex 25 Market Street P.O. Box 112 Trenton, NJ 08625 Alex.Moreau@law.njoag.gov</p>	<p>Kyle Felton Board of Public Utilities Division of Water 44 South Clinton Ave., 9th Floor P.O. Box 350 Trenton, NJ 08625 Kyle.felton@bpu.nj.gov</p>

DIVISION OF RATE COUNSEL

<p>Stefanie A. Brand, Esq. Director Division of Rate Counsel 140 East Front Street - 4th Floor Trenton, NJ 08625 sbrand@rpa.nj.gov</p>	<p>Susan McClure, Esq. Assistant Deputy Rate Counsel Division of Rate Counsel 140 East Front Street - 4th Floor Trenton, NJ 08625 smcclure@rpa.nj.gov</p>	<p>Debra F. Robinson, Esq. Managing Attorney Water & Wastewater Division of Rate Counsel 140 East Front Street - 4th Floor Trenton, NJ 08625 drobinso@rpa.nj.gov</p> <p><i>* Correspondence Only</i></p>
<p>Brian Lipman, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 blipman@rpa.nj.gov</p>	<p>Marilyn Silva Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 msilva@rpa.nj.gov</p> <p><i>* Electronic Mail Only</i></p>	

**In the Matter of the Petition of Middlesex Water Company for
Approval to Change The Levels of its Purchased Water Adjustment Clause
BPU Docket No. WR1911_____**

~ Service List B ~

Clerk, Borough of Carteret
Municipal Building
61 Cooke Avenue
Carteret, NJ 07008

Clerk, Township of Clark
Municipal Building
430 Westfield Avenue
Clark, NJ 07066

Clerk, Township of Edison
Municipal Building
100 Municipal Boulevard
Edison, NJ 08817

Clerk, Borough of Highland Park
221 South Fifth Avenue
Highland Park, NJ 08904

Clerk, Township of Marlboro
1979 Township Drive
Marlboro, NJ 07746

Clerk, Borough of Metuchen
Borough Hall
Main and Middlesex Avenues
Metuchen, NJ 08840

Clerk, Township of Old Bridge
Municipal Plaza
Old Bridge, NJ 08857

Clerk, Borough of South Plainfield
Borough Hall
2840 Plainfield Avenue
South Plainfield, NJ 07080

Clerk, Township of Woodbridge
1 Main Street
Woodbridge, NJ 07095

Old Bridge Municipal Utilities Authority
71 Boulevard West
Cliffwood Beach, NJ 07735

Clerk, City of South Amboy
140 North Broadway
South Amboy, NJ 08879-1647

Clerk, Middlesex County
Board of Chosen Freeholders
1 J.F. Kennedy Square
New Brunswick, NJ 08903

Clerk, Monmouth County
Board of Chosen Freeholders
Hall of Records
Freehold, NJ 07728

Clerk, Union
Board of Chosen Freeholders
Administration Building - 2nd Floor
Elizabeth, NJ 07207

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF :	PETITION
MIDDLESEX WATER COMPANY FOR :	
APPROVAL TO CHANGE THE LEVELS :	Docket No.: WR1911_____
OF ITS PURCHASED WATER :	
ADJUSTMENT CLAUSE PURSUANT TO :	
<u>N.J.A.C. 14:9-7.1, ET SEQ.</u> :	

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Petitioner, Middlesex Water Company (hereinafter "Middlesex," "Company" or "Petitioner"), respectfully represents as follows:

1. This Petition is filed pursuant to N.J.A.C. 14:9-7.1, et seq., and seeks Board approval of a change to the level of Middlesex's purchased water adjustment clause ("PWAC") to recover increased purchased water costs, together with deferred costs, PWAC rate case expenses and associated gross receipts and franchise taxes, all as more particularly set forth and described in the exhibits attached hereto.

2. Middlesex is a duly organized and existing public utility of the State of New Jersey, subject to the jurisdiction of the Board. Middlesex provides water services to approximately 61,000 retail customers, primarily in eastern Middlesex County, New Jersey and provides water under wholesale contracts to the City of Rahway, Townships of Edison and Marlboro, the Borough of Highland Park and the Old Bridge Municipal Utilities Authority. Middlesex treats, stores and distributes water for residential, commercial, industrial and fire protection purposes. Middlesex also provides water

treatment and pumping services to the Township of East Brunswick under contract. Middlesex recorded revenues of approximately \$81.1 million in 2018.

3. The Middlesex System's retail customers are located in an area of approximately 55 square miles in Woodbridge Township, the City of South Amboy, the Boroughs of Metuchen and Carteret, portions of the Township of Edison and the Borough of South Plainfield in Middlesex County, and a portion of the Township of Clark in Union County. Retail customers include a mix of residential customers, large industrial concerns and commercial and light industrial facilities. These customers are located in generally well-developed areas of central New Jersey.

4. The contract customers of the Middlesex System comprise an area of approximately 146 square miles with a population of approximately 300,000. Contract sales to Edison, Old Bridge, Marlboro and Rahway are supplemental to the existing water systems of these customers. The Middlesex System provides treated surface water under long-term agreements to East Brunswick, Marlboro and Old Bridge.

5. Middlesex provides water service to approximately 300 customers in Cumberland County, New Jersey. This system is referred to as Bayview, and is not physically interconnected with the Middlesex System. The Company owns and operates water treatment, supply, transmission and distribution systems for these purposes. The Company also owns subsidiaries that provide utility and utility-related services in Southampton Township in Burlington County, and portions of Delaware and Pennsylvania.

6. Petitioner obtains a significant portion of the water needed to meet its overall water supply needs through water purchase contracts with the New Jersey Water Supply Authority (“NJWSA”) for untreated water and New Jersey American Water Company, Inc. (“NJAW”) for finished water.

7. Petitioner has been notified that an increase in the NJAW PWAC rate from \$0.4154 per thousand gallons (tg) to \$0.4453 per tg (BPU Docket No. WR18111241) has been approved by the BPU effective April 1, 2019.

8. Petitioner intervened and actively participated in the NJAW PWAC rate proceedings by way of teleconference discovery and settlement meetings attendance and participation.

9. Petitioner’s last base rate case was filed with the Board on October 10, 2017 in BPU Docket No. WR17101049 and was resolved by stipulation. Attached hereto and made part hereof is a copy of the fully executed Stipulation of Settlement in that matter; the Initial Decision by the Office of Administrative Law (“OAL”) dated March 14, 2018 recommending approval of the Stipulation (both of which are attached to the Board Order and are part of Exhibit A); and the Board Order dated March 26, 2018 adopting the Initial Decision and Stipulation and approving a base rate increase in accordance therewith (Exhibit A).

10. Petitioner’s last case requesting a change to the level of its PWAC was filed with the Board on August 27, 2018 in BPU Docket No. WR18080948 and was resolved by stipulation. Attached hereto and made part hereof is a copy of the fully executed Stipulation of Settlement in that matter; the Initial Decision by the OAL dated December 6, 2018 recommending approval of the Stipulation (both of which are attached

to the Board Order and are part of Exhibit A); and the Board Order dated December 18, 2018 adopting the Initial Decision and Stipulation and approving the change to the level of Middlesex's PWAC in accordance therewith (Exhibit A).

11. Attached hereto and made part hereof are the following Exhibits detailing the specific costs comprising the rate adjustment proposed herein and the proposed PWAC increase need to recover those costs and providing other data requirements pursuant to N.J.A.C. 14:9-7.4(a):

- EXHIBIT A - Board Order; March 26, 2018, BPU Docket No. WR17101049 (Including Stipulation of Settlement and Initial Decision by OAL) and Board Order; December 18, 2018, BPU Docket No. WR18080948 (Including Stipulation of Settlement and Initial Decision by OAL)
- EXHIBIT B - Rate Schedule of: (1) NJAW; (2) NJAW PWAC; and (3) NJWSA
- EXHIBIT C - Purchased Water Contracts between Petitioner and (1) NJAW; and (2) NJWSA
- EXHIBIT D - Schedule of Customers and Water Purchased
- EXHIBIT E - Proposed Cost Per Unit of Volume
- EXHIBIT F - Proposed PWAC Tariff Sheets and Proof of Revenue
- EXHIBIT G - PWAC Rate Proceeding Expenses
- EXHIBIT H - PWAC True-Up Schedule
- EXHIBIT I - Tax Gross-Up Calculation
- EXHIBIT J - Form of Notice to be given of this filing and of Public Hearing

12. Attached hereto and made a part hereof in further support the Petitioner's proposed PWAC increase need is the Testimony of Michele L. Tilley together with Exhibits MLT-1 through MLT-4 attached thereto

13. Notice of this filing, a copy of this Petition and all other annexed Exhibits are being served upon the municipal clerk in each of the municipalities of the affected customers and, in duplicate, upon the Department of Law and Public Safety and the Director of the Division of Rate Counsel. Notice of the filing and a statement of its effect will be furnished to Petitioner's customers by publication in newspapers published and circulated in Petitioner's service area pursuant to the rules of the Board.

14. Proof of service of the notices referred to herein will be filed with the Board by Petitioner in accordance with the Board's regulations.

WHEREFORE, Petitioner respectfully requests that the Board grant the following relief: (a) approving a PWAC rate as proposed herein for recovery of increased water purchase costs and authorizing same to be placed into effect at the earliest date possible; and (b) for such other further relief as may be just and equitable.

Respectfully Submitted,

By: Jay Kooper

JAY L. KOOPER, ESQ.
Vice President, General Counsel & Secretary
Middlesex Water Company
485C Route One South, Suite 400
Iselin, NJ 08830
Attorney for Petitioner

Dated: November 13, 2019
Iselin, New Jersey