

Dear Esteemed Board Members,

My name is Robert Fullagar. I'm Vice President of Operations at Middlesex Water Company. We provide domestic, commercial and industrial water service, as well as fire protection, to nearly half a million people in central New Jersey. Our company is a large commercial customer of PSE&G. I'm here today in support of the vital role that nuclear energy has in the framework of supporting the state's clean energy goals and the critical need for fuel diversity.

Like PSE&G, Middlesex Water provides a critical service to residents and businesses across our great state. To that end, we recognize the importance of reliable utility services and how essential they are. Since 1897, we've built a reputation as an industry leader in providing water and wastewater solutions to our customers. We do not want to risk impacting our ability to maintain that legacy of service due to lack of diverse fuel options and the risks that generates. Without the extension of PSEG's ZEC support to maintain nuclear plant operations, the state would be almost entirely dependent on natural gas. In that event, PSEG would be vulnerable to price fluctuations which is a major impact to all customers but especially large customers such as Middlesex Water as a large energy user. Our electric utility cost is the largest non-labor expense our company incurs. Water is a very heavy substance, weighing 8.3 pounds per gallon, which requires an enormous amount of electric power to pump approximately 15 billion gallons per year throughout the 723 miles of our distribution system to our customers' homes and businesses. Maintaining steady costs is critical for us, as a regulated utility ourselves, our energy costs are passed through dollar-for-dollar to our customers in their water bills. While the ZEC extension does not create an immediate reduction in our costs – the continuation of the nuclear plants is a key factor in consistent cost planning. While no one ever wants their bills to go up, the ZEC cost impact would prevent major unplanned costs. And, as our partners at PSE&G have explained, the costs of retiring the plants are much greater than the cost to preserve the plants. Additionally when considering costs, the power that nuclear provides offers substantial environmental and climate benefits, at a fraction of the cost of available renewable technology options.

Middlesex Water continues to invest in various infrastructure upgrade and replacement projects that will require ever larger amounts of electric energy than ever before. The ability to estimate costs and budget accordingly to continue our company's initiatives are increasingly important. We are fortunate to have companies like PSE&G who not only embrace the need for prioritizing energy efficiency, but also continue to strive for critical fuel diversity that enables cost management and increased electric service reliability. Electric and water are essential services to communities and businesses, the partnership between our companies is a natural one and we support the extension of PSEG ZEC credits to ensure that the nuclear facilities continue their operations, so that Middlesex Water can continue ours.

Thank you for your time and consideration of this statement.

Sincerely,
Robert K. Fullagar
Vice President of Operations
Middlesex Water Company