

August 12, 2021

## Via Electronic Mail

The Honorable Jacob S. Gertsman Administrative Law Judge New Jersey Office of Administrative Law P.O. Box 049 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

OAL Docket No. PUC 04690-2021S BPU Docket No. WR21050813

## Dear Judge Gertsman:

In preparation for the Public Hearings scheduled to take place virtually on Tuesday August 31, 2021 at 4:30 pm and 5:30 pm in the above-referenced matter, enclosed please find the following premarked Exhibits that Petitioner Middlesex Water Company ("Middlesex") intends to formally move for admission into the record at the Public Hearings as follows:

Exhibit P-1: Affidavit of Mailing

Exhibit P-2: Affidavit of Publication

Please do not hesitate to contact me at (732) 638-7506 and <u>jkooper@middlesexwater.com</u> if there are any concerns.

Very truly yours,

Jay L. Kooper

Vice President, General Counsel & Secretary

cc: Service List (attached) (via electronic mail)
Nancy Demling (OAL) (via electronic mail)

#### OAL SERVICE LIST

In the Matter of the Petition of Middlesex Water Company for Approval of an Increase in its Rates for Water Service and Other Tariff Changes
OAL Docket No. PUC 04690-21
BPU Docket No. WR21050813

Karriemah Graham Board of Public Utilities 44 South Clinton Ave., Suite 314 P.O. Box 350 Trenton, NJ 08625-0350 karriemah.graham@bpu.nj.gov

Susan McClure, Esq.
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smcclure@rpa.nj.gov

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Division of Law
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Jay L. Kooper, Esq.
Vice President, Gen. Counsel & Sect.
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Newark, NJ 07102
stephen.genzer@saul.com

## 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 AFFIDAVIT OF MAILING

BPU Docket No.: WR21050813 OAL Docket No. PUC 04690-2021S

Jay L. Kooper, of full age, being duly sworn, upon his oath states:

- 1. I am Vice President, General Counsel and Secretary of Middlesex Water Company, the Petitioner herein.
- 2. On July 22, 2021, I caused to be served, by e-mail, a copy of the enclosed Notice of Public Hearing upon each party on the attached Service List A.

Jay L. Kooper

Sworn and Subscribed to this 12<sup>th</sup> day of August, 2021

Notary Public

SELENA MONTERO NOTARY PUBLIC OF NEW JERSEY Comm. # 50095002 My Commission Expires 12/28/2023

Enclosures:

Notice of Public Hearing

Service List A

#### OAL SERVICE LIST

In the Matter of the Petition of Middlesex Water Company for Approval of an Increase in its Rates for Water Service and Other Tariff Changes
OAL Docket No. PUC 04690-21
BPU Docket No. WR21050813

Karriemah Graham
Board of Public Utilities
44 South Clinton Ave., Suite 314
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Susan McClure, Esq.
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Jay L. Kooper, Esq.
Vice President, Gen. Counsel & Sect.
Middlesex Water Company
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Stephen B. Genzer, Esq.
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One Riverfront Plaza, Suite 1520
1037 Raymond Blvd.
Newark, NJ 07102
stephen.genzer@saul.com

## Middlesex Water Company 2021 Base Rate Case BPU Docket No. WR21050813 OAL Docket No. PUC 04690-2021S ~ Service List A ~

## MIDDLESEX WATER COMPANY

Dennis W. Doll Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 ddoll@middlesexwater.com (electronic only)  Jay L. Kooper, Esq. Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830	A. Bruce O'Connor Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 aboconnor@middlesexwater.com (electronic only)  Selena Montero Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830	Robert K. Fullagar Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 rfullagar@middlesexwater.com (electronic only)  Robert J. Capko Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830
jkooper@middlesexwater.com (electronic only)	smontero@middlesexwater.com (electronic only)	rcapko@middlesexwater.com (electronic only)
Tracy Tyrell Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 ttyrell@middlesexwater.com (electronic only)	Michele L. Tilley Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 mtilley@middlesexwater.com (electronic only)	Stephen B. Genzer, Esq. Saul Ewing Arnstein & Lehr LLP One Riverfront Plaza Suite 1520 Newark, NJ 07102-5426 stephen.genzer@saul.com
Shane Simon, Esq. Saul Ewing Arnstein & Lehr LLP Centre Square West 1500 Market Street, 38th Floor Philadelphia, PA 19102-2186 shane.simon@saul.com	Jane H. Gisbey Saul Ewing Arnstein & Lehr LLP jgisbey@saul.com (Electronic Correspondence)	Courtney Schultz, Esq. Saul Ewing Arnstein & Lehr, LLP Centre Square West 1500 Market Street, 38 <sup>th</sup> Floor Philadelphia, PA 19102-2186 courtney.schultz@saul.com
G. Christian Andreasen Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 candreasen@middlesexwater.com		

## Middlesex Water Company 2021 Base Rate Case BPU Docket No. WR21050813 OAL Docket No. PUC 04690-2021S ~ Service List A ~

## BOARD OF PUBLIC UTILITIES/DEPARTMENT OF LAW

		TV # 0	
Aida Camacho-Welch, Secretary	Michael Kammer, Director	Kofi Ocansey	
Board of Public Utilities	Board of Public Utilities	Board of Public Utilities	
44 South Clinton Ave., 9th Floor	Division of Water & Wastewater	Division of Water	
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Jackie O'Grady	Brandon Simmons, DAG		
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	Brandon.Simmons@law.njoag.gov		
	,		
	9		

## Middlesex Water Company 2021 Base Rate Case BPU Docket No. WR21050813 OAL Docket No. PUC 04690-2021S ~ Service List A ~

## **DIVISION OF RATE COUNSEL**

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## **INTERVENORS**

Michael J. Baker, Esq.	L. Mason Neely	
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Doukas, LLP	Township of East Brunswick	
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mbaker@hoaglandlongo.com	Lmn1940@hughes.net	

## 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 **AFFIDAVIT OF PUBLICATION** 

BPU Docket No.: WR21050813 OAL Docket No. PUC 04690-2021S

Jay L. Kooper, of full age, being duly sworn, upon his oath states:

- 1. I am an attorney-at-law of New Jersey, and I am General Counsel of Middlesex Water Company, the Petitioner herein.
- 2. On July 27, 2021, a Notice of Public Hearing in connection with the above-captioned matter, was published in the Home News Tribune and Newark Star-Ledger newspapers. A true copy of such Notices as published are attached hereto.

Jay L. Kooper

Sworn and Subscribed to this 12<sup>th</sup> day of August, 2021

Notary Public

SELENA MONTERO
NOTARY PUBLIC OF NEW JERSEY
Comm. # 50095002
My Commission Expires 12/28/2023

## AFFIDAVIT OF PUBLICATION

Publisher's Fee \$189.20 Affidavit \$35.00

STATE OF WISCONSIN	
Brown County	
Personally appeared INda + UH	_ at County of Brown, State of Wisconsin.
Of the <b>Home News Tribune</b> , newspaper printed in Freehold, Ne in State of New Jersey and County of Middlesex, and of general who being duly sworn, deposeth and saith that the advertisemen published in the said newspaper I times, once in each issue as for	circulation in Middlesex County, It of which the annexed is a true copy, has been
07/27/2021 A.D 2021	
Notary Public State of Wisconsin County of Brown	
U S.15.23	
My commission expires	

NANCY HEYRMAN Notary Public State of Wisconsin

Ad Number: 0004838291

Run Dates: 07/27/2021

#### NOTICE OF PUBLIC HEARING

## MIDDLESEX WATER COMPANY NOTICE OF FILING OF PETITION FOR APPROVAL OF AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES BPU DOCKET NO. WR21050813 OAL DOCKET NO. PUC 04690-2021S

PLEASE TAKE NOTICE that on May 20, 2021, Middlesex Water Company ("Company"), pursuant to N.J.S.A. 48:2-21, filed a petition with the Board of Public Utilities ("Board") of the State of New Jersey for approval of its revised tariff sheets providing for an increase in its charges for water service. The Company believes that this increase is necessary in order for it to be able to continue to provide safe, adequate and proper service to its customers and to prevent the impairment of its financial integrity.

The Company is requesting an overall increase in revenues of \$31,297,816 or approximately 37.79 % above the adjusted annual pro forma revenues for the 12 months ending September 30, 2021 and to make other revisions of the Company's tariff.

The Company proposes increases to rates for all classes of customers including General Water Service, Municipal Service (Public Fire Service), Private Fire Service, Service Under Contract, Special Contract Service, and Transmission Service to the South River Basin and Northeast Sector. The proposed rates for all customers are contained in the tariff sheets and petition filed with the Board. The present and proposed rates for quarterly billing for General Water Service are set out below:

#### COMPARISON OF PRESENT AND PROPOSED RATES

#### Water Usage

In addition to the fixed charge below, a charge will be made for all water used as registered by the meter.

Quarterly facilities charges have been revised as follows:

#### **Fixed Charge**

All general metered water service customers shall pay a fixed service charge based on the size of each meter installed, in addition to the charge for the water used, if any.

#### Quarterly Facilities Charge

Size of	Present	Proposed	
Meter	\$Rates\$	\$Rates\$	\$Increase\$
5/8"	47.25	64.95	17.70
3/4"	70.89	97.45	26.56
1"	118.14	162.39	44.25
1-1/2"	236.25	324.75	88.50
2"	378.00	519.60	141.60
3"	708.75	813.60	104.85
4.'	1,181.25	1,356.00	174.75
6"	2,362.50	2,712.03	349.53
8"	3,780.00	4,339.23	559.23
10"	5,433.75	6,237.66	803.91
12"	10,153.92	11,656.17	1,502.25

Billing shall be based on the facilities charge (fixed charge) plus consumption charges for each period.

AN AVERAGE RESIDENTIAL CUSTOMER USING 2,000 CUBIC FEET (14,960 GALLONS) OF WATER PER QUARTER WILL SEE HIS/HER BILL INCREASE FROM \$139.11 TO \$199.96, AN INCREASE OF \$60.85 PER QUARTER, OR APPROXIMATELY 43.74%.

The Company proposes no Increase in current rates for Private Fire Service.

The Company proposes to increase rates for Municipal Service (Public Fire Service) by increasing the annual hydrant charge from \$742.10 to \$783.72, while the inch-foot charge will remain unchanged.

PLEASE TAKE FURTHER NOTICE that by this filing, the Company has included in its petition a request to reinstitute its Distribution System Improvement Charge ("DSIC") Foundational Filing pursuant to N.J.A.C. 14:9-10.1 et seq. The DSIC is a rate recovery mechanism to encourage and support accelerated rehabilitation and replacement of certain non-revenue producing, critical water distribution components. Its purpose is to enhance safety, reliability, water quality, system flows and pressure, and/or conservation.

In BPU Docket No. WR14050508, a DSIC was implemented. At the conclusion of the Company's 2015 base rate case in BPU Docket No. WR15030391, the DSIC rate was reset to \$0.

The Company proposes its DSIC rate be increased up to a maximum surcharge of 5% semi-annually as approved projects are placed inservice pursuant to N.J.A.C. 14:9-10.4, subject to prudency review. Based on the Company's proposal, the maximum quarterly rate increase that customers with a 5/8" meter will experience because of the DSIC will be \$10.23 per quarter. The DSIC rate is interim, subject to refund, until the subsequent base rate case pursuant to N.J.A.C. 14:9-10.1(f).

Any relief determined by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers of the Company in such manner and, in such amounts or percentages, as the Board may deem appropriate. The Board may choose to impose a greater portion of the increase on any present or future class or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount of percentage increase applicable to any of the foregoing.

PLEASE TAKE FURTHER NOTICE that the Company intends to Implement, subject to any refunds that may be ordered by the Board, the proposed tariffs for service on and after February 22, 2022, if the Board has not finally determined a just and reasonable tariff schedule prior to that date.

PLEASE TAKE FURTHER NOTICE that virtual public hearings on the Company's petition have been scheduled for August 31, 2021 beginning at 4:30 p.m. and 5:30 p.m. on the following Zoom platform: https://state-nj-oal-us.zoom.us/j/836204226517pwd=Mzg2aFVBY1JkeVNBdjZoKzVpekZXZ209, Meeting ID: 836 2042 2651, Passcode: 953770. An Administrative Law Judge from the Office of Administrative Law will preside over the public hearings. Members of the public are invited to attend and express their views on the proposed rate increase. Such comments will be made a part of the final record in the proceeding. Whether or not you attend the public hearings, written comments may be submitted to Hon. Jacob S. Gertsman, AU, Office of Administrative Law, P.O. Box 049, Trenton, NJ 08625-0049 and/or Hon. Aida Camacho Welch, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, Trenton, NJ 08625-035. Please include OAL Docket No. PUC 04690-2021S and BPU Docket No. WR21050813 in your comment letter. Written and e-mailed comments will be provided the same weight as statements made at the hearings.

The complete schedules for the proposed rates are part of the petition filed with the Board, which was served upon the New Jersey Division of Rate Counsel. The petition was also served on the Clerks of the Municipalities and on the Clerk of the Board of Chosen Freeholders in the service area of the Company pursuant to N.J.S.A. 48:2-32.2, and a copy of this notice will also be served on such Clerks. Further information and copies of the petition may be obtained at the Board's offices located at 44 South Clinton Avenue, 9th Floor, Trenton, NJ 08525-0350 or at the Company's offices located at 485C Route 1 South, Suite 400, Iselin, New Jersey 08830. The petition, testimony, and all attachments are also available for public inspection on the Company's website at http://www.middlesexwater.com/customer-care/regulatory.

Please submit any requests for special accommodations at least 72 hours prior to the hearings to the Company's Counsel, Jay L. Kooper, Esq., at 485C Route 1 South, Suite 400, Iselin, NJ 08830, phone 732-634-1500.

MIDDLESEX WATER COMPANY 485C Route 1 South, Suite 400 Iselin, New Jersey 08830 (5189.20)



NJ SL Legal Dsp Ag

Star Ledger

**LEGAL AFFIDAVIT** 

AD#: 0010043781

Total

\$647.46

State of New Jersey,) ss County of Middlesex)

Lisa Arrington being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Star Ledger is a public newspaper, with general circulation in Atlantic, Burlington, Cape May, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Star Ledger 07/27/2021

Principal Clerk of the Publisher

Sworn to and subscribed before me this 28th day of July 2021

Darian N Alexander Notary Public New Jersey

My Commission Expires November 13, 2022

No. 50071877

Jotary Public

#### NOTICE OF PUBLIC HEARING

# MIDDLESEX WATER COMPANY NOTICE OF FILING OF PETITION FOR APPROVAL OF AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES BPU DOCKET NO. WR21050813 OAL DOCKET NO. PUC 04690-2021S

PLEASE TAKE NOTICE that on May 20, 2021, Middlesex Water Company ("Company"), pursuant to N.J.S.A. 48:2-21, filed a petition with the Board of Public Utilities ("Board") of the State of New Jersey for approval of its revised tariff sheets providing for an increase in its charges for water service. The Company believes that this increase is necessary in order for it to be able to continue to provide safe, adequate and proper service to its customers and to prevent the impairment of its financial integrity.

The Company is requesting an overall increase in revenues of \$31,297,816 or approximately 37.79 % above the adjusted annual pro forma revenues for the 12 months ending September 30, 2021 and to make other revisions of the Company's tariff.

The Company proposes increases to rates for all classes of customers including General Water Service, Municipal Service (Public Fire Service), Private Fire Service, Service Under Contract, Special Contract Service, and Transmission Service to the South River Basin and Northeast Sector. The proposed rates for all customers are contained in the tariff sheets and petition filed with the Board. The present and proposed rates for quarterly billing for General Water Service are set out below:

### **COMPARISON OF PRESENT AND PROPOSED RATES**

#### Water Usage

In addition to the fixed charge below, a charge will be made for all water used as registered by the meter.

All Consumption	Present Rates	Proposed Rates	Increase
Rate per Thousand Cubic Feet (TCF)	\$45.9275/TCF	\$67.5026/TCF	\$21.5751/TCF
Rate per Thousand Gallons (TG)	\$ 6.1400/TG	\$ 9.0244/TG	\$ 2.8844/TG

Quarterly facilities charges have been revised as follows:

## Fixed Charge

All general metered water service customers shall pay a fixed service charge based on the size of each meter installed, in addition to the charge for the water used, if any.

#### **Quarterly Facilities Charge**

Size of Meter	Present \$Rates\$	Proposed \$Rates\$	\$Increase\$
5/8"	47.25	64.95	17.70
3/4"	70.89	97.45	26 <i>.</i> 56
1"	118.14	162.39	44.25
1-1/2"	236.25	324.75	88.50
2"	378.00	519.60	141.60
3"	708.75	813.60	104.85
4"	1,181.25	1,356.00	174.75
6"	2,362.50	2,712.03	349.53
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10"	5,433.75	6,237.66	803.91
12″	10,153.92	11,656.17	1,502.25

Billing shall be based on the facilities charge (fixed charge) plus consumption charges for each period.

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The Company proposes no increase in current rates for Private Fire Service.

The Company proposes to increase rates for Municipal Service (Public Fire Service) by increasing the annual hydrant charge from \$742.10 to \$783.72, while the inch-foot charge will remain unchanged.

PLEASE TAKE FURTHER NOTICE that by this filing, the Company has included in its petition a request to reinstitute its Distribution System Improvement Charge ("DSIC") Foundational Filing pursuant to NJ.A.C. 14:9-10.1 et seq. The DSIC is a rate recovery mechanism to encourage and support accelerated rehabilitation and replacement of certain non-revenue producing, critical water distribution components. Its purpose is to enhance safety, reliability, water quality, system flows and pressure, and/or conservation.

In BPU Docket No. WR14050508, a DSIC was implemented. At the conclusion of the Company's 2015 base rate case in BPU Docket No. WR15030391, the DSIC rate was reset to \$0.

The Company proposes its DSIC rate be increased up to a maximum surcharge of 5% semi-annually as approved projects are placed in-service pursuant to NJ.A.C. 14:9-10.4, subject to prudency review. Based on the Company's proposal, the maximum quarterly rate increase that customers with a 5/8" meter will experience because of the DSIC will be \$10.23 per quarter. The DSIC rate is interim, subject to refund, until the subsequent base rate case pursuant to NJ.A.C. 14:9-10.1(f).

Any relief determined by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers of the Company in such manner and, in such amounts or percentages, as the Board may deem appropriate. The Board may choose to impose a greater portion of the increase on any present or future class or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount of percentage increase applicable to any of the foregoing.

PLEASE TAKE FURTHER NOTICE that the Company intends to implement, subject to any refunds that may be ordered by the Board, the proposed tariffs for service on and after February 22, 2022, if the Board has not finally determined a just and reasonable tariff schedule prior to that date.

PLEASE TAKE FURTHER NOTICE that virtual public hearings on the Company's petition have been scheduled for August 31, 2021 beginning at 4:30 p.m. and 5:30 p.m. on the following Zoom platform: <a href="https://state-nj-oal-us.zoom.us/j/83620422651?pwd=Mzg2aFVBY1JkeVNBdjZoKzVpekZXZz09">https://state-nj-oal-us.zoom.us/j/83620422651?pwd=Mzg2aFVBY1JkeVNBdjZoKzVpekZXZz09</a>, Meeting ID: 836 2042 2651, Passcode: 963770. An Administrative Law Judge from the Office of Administrative Law will preside over the public hearings. Members of the public are invited to attend and express their views on the proposed rate increase. Such comments will be made a part of the final record in the proceeding. Whether or not you attend the public hearings, written comments may be submitted to Hon. Jacob S. Gertsman, ALJ, Office of Administrative Law, P.O. Box 049, Trenton, NJ 08625-0049 and/or Hon. Aida Camacho Welch, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, Trenton, NJ 08625-0350. Please include OAL Docket No. PUC 04690-20215 and BPU Docket No. WR21050813 in your comment letter. Written and e-mailed comments will be provided the same weight as statements made at the hearings.

The complete schedules for the proposed rates are part of the petition filed with the Board, which was served upon the New Jersey Division of Rate Counsel. The petition was also served on the Clerks of the Municipalities and on the Clerk of the Board of Chosen Freeholders in the service area of the Company pursuant to NJ.S.A. 48:2-32.2, and a copy of this notice will also be served on such Clerks. Further information and copies of the petition may be obtained at the Board's offices located at 44 South Clinton Avenue, 9th Floor, Trenton, NJ 08625-0350 or at the Company's offices located at 485C Route 1 South, Suite 400, Iselin, New Jersey 08830. The petition, testimony, and all attachments are also available for public inspection on the Company's website at <a href="http://www.

## migaiesexwater.com/customer-care/regulatory.

Please submit any requests for special accommodations at least 72 hours prior to the hearings to the Company's Counsel, Jay L. Kooper, Esq., at 485C Route 1 South, Suite 400, Iselin, NJ 08830, phone 732-634-1500.

MIDDLESEX WATER COMPANY 485C Route 1 South, Suite 400 Iselin, New Jersey 08830

7/27/2021

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