



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
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)	INCREASE, CHANGES OR
IN ITS RATES FOR WATER SERVICE AND)	ALTERATIONS IN RATES FOR
OTHER TARIFF CHANGES)	WATER SERVICE
)	
)	DOCKET NO. WR21050813
)	OAL DOCKET NO. PUC 04690-21

Parties of Record:

Stephen B. Genzer, Esq., Saul Ewing Arnstein and Lehr, LLP, on behalf of Middlesex Water Company
Brian O. Lipman, Director, New Jersey Division of Rate Counsel
Michael J. Baker, Esq., Hoagland, Longo, Moran, Dunst & Doukas, LLP, on behalf of the Township of East Brunswick Water Utility
Carol A. Berlen, Esq., Rainone Coughlin Minchello, LLC, on behalf of the Township of Marlboro and the Old Bridge Municipal Utilities Authority

BY THE BOARD:

On May 20, 2021, pursuant to N.J.S.A. 48:2-21, N.J.A.C.14:1-5.12, N.J.A.C 14:1-5.11, and N.J.A.C 14:9-10.4 et seq., Middlesex Water Company (“Middlesex,” “Company” or “Petitioner”) a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”), filed a petition seeking to increase base water rates in the amount of approximately \$31.3 million or 37.79%. Middlesex proposed that the increase become effective on February 22, 2022.¹

Middlesex is a corporation in the State of New Jersey with its principal offices located at 485C Route One South, Suite 400, Iselin, New Jersey, 08830, which serves approximately 62,000 retail water customers primarily in the eastern portion of Middlesex County, New Jersey. Middlesex’s retail customers are located in about a 55-mile radius in Woodbridge Township, the City of South

¹ By correspondence dated May 24, 2021, the Petitioner indicated that it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the June 24, 2021 Agenda meeting.

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

Middlesex also provides wholesale water under contracts to the City of Rahway, Townships of Edison and Marlboro, the Borough of Highland Park and the Old Bridge Municipal Utilities Authority. Middlesex also treats, stores and distributes and pumping services to the Township of East Brunswick under contract. Additionally, the Company provides water service to approximately 300 customers in Cumberland County, New Jersey. This is referred to as Bayview.

According to the petition, the Company is filing for the recovery of prudently-incurred investments made to address aging drinking water infrastructure and a variety of other improvements to help ensure continued resiliency, reliability and overall quality of service since the last rate case.

The Company indicates that, since its last base rate case, it has invested approximately \$267 million as part of its "Water for Tomorrow" capital improvement program which includes several large scale infrastructure projects, all of which have been completed.

Middlesex further states that it is engaged in the construction of the Western Transmission Main, a large diameter 4.5-mile transmission pipeline needed to provide critical backup water supply and system resiliency. Additionally, the Company completed the construction of a new ozone treatment facility at its Carl J. Olsen Water Treatment plant, where ozone will now be used as a primary disinfectant of byproducts and ensure compliance with increasing regulatory requirements.

Consistent with the requirements of the New Jersey Water Quality Accountability Act, the Company further completed the replacement of aging areas of Middlesex's water distribution system using a risk-based approach, which included the replacement of mains, valves, service lines and meters under the Company's RENEW program, now it's in 26th year.

Moreover, the renovation and repurposing of the Company's headquarters which was built in 1984, was completed to address operational and staffing needs and comply with environmental regulations.

The Company adds that other improvements include upgrades to its raw water intake station on the Delaware and Raritan Canal, as well as improvements related to supplementing emergency power generation and further mitigating environmental impacts related to the water treatment process.

By Order dated June 24, 2021, the Board suspended the proposed rate increase until October 21, 2021 pending further action on this matter. 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 S. Gertsman for consideration and hearing.

On July 23, 2021, the East Brunswick Water Utility filed a motion to intervene, which was granted by ALJ Gertsman. On August 26, 2021, the Township of Marlboro and Old Bridge Municipal Utilities Authority also filed a motions to intervene, which were granted by ALJ Gertsman. On November 3, 2021, Middlesex updated its petition to include 12 months of actual data. The requested rate increase was modified to approximately \$32.3 million.

The parties conducted discovery and have been engaged in settlement discussions. Therefore, in light of the fact that this matter was not completed by October 21, 2021, and in order to allow ALJ Gertsman sufficient time to conduct the case, 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 suspended until February 22, 2022, 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 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 within 15 days of the date Order.

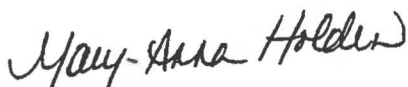
This Order shall be effective on December 8, 2021.

DATED: December 1, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER




UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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. WR21050813 & OAL DOCKET NO. PUC 04690-21

SERVICE LIST

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<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>Pamela Owen, Esq. Assistant Section Chief pamela.owen@law.njoag.gov</p> <p>Meliha Arnautovic, Esq. Deputy Attorney General meliha.arnautovic@law.njoag.gov</p> <p>Brandon Simmons, Esq. Deputy Attorney General brandon.simmons@law.njoag.gov</p> <p>Steven Chaplar, Esq. Deputy Attorney General steven.Chaplar@law.njoag.gov</p>	
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