



March 8, 2018

Aida Camacho-Welch  
Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Ave.  
3rd Floor Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350

Re: In the Matter of the New Jersey Board of Public Utilities' Consideration  
Of the Tax Cuts and Jobs Act of 2017  
BPU Docket No. AX18010001  
Middlesex Water Company

Dear Secretary Camacho-Welch:

Middlesex Water Company ("Middlesex" or "the Company") submits this filing as a follow-up to the Company's March 2, 2018 letter filing made in response to the Order issued by the Board on January 31, 2018 ("Generic Tax Order") in the above captioned matter.

As discussed in Middlesex's March 2, 2018 filing, enclosed is the executed Stipulation of Settlement in the Company's Base Rate Case, *I/M/O 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 16144-2017S. The enclosed Stipulation is being submitted to Administrative Law Judge Tricia M. Caliguire in the Middlesex base rate case today.

For the reasons discussed in Middlesex's March 2, 2018 letter filing, the Company believes that the agreement reflected in the enclosed Stipulation both resolves all issues in the Company's base rate case and all issues and requirements of the Generic Tax Order as applied to Middlesex. The Company therefore respectfully requests that the Board find Middlesex to be in full compliance with the requirements of the Generic Tax Order issued in BPU Docket No. AX18010001 through the Company's March 2, 2018 letter filing as supplemented by this filing.

"A Provider of Water, Wastewater & Related Products and Services"

**Middlesex Water Company** NASDAQ: MSEX 1500 Ronson Road, Iseelin, NJ 08830-3020 [www.middlesexwater.com](http://www.middlesexwater.com)  
(732) 634-1500 Tel. (732) 638-7515 Fax

Should the Board have any questions with regard to this compliance filing, please do not hesitate to contact me.

Respectfully submitted

A handwritten signature in cursive script that reads "Jay Kooper".

Jay L. Kooper  
Vice President, General Counsel & Secretary

cc: Service List – Middlesex Water Base Rate Case (BPU Docket No. WR17101049)

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

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**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**

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**STIPULATION OF SETTLEMENT**

**BPU DOCKET NO. WR17101049**

**OAL DOCKET NO. PUC 16144-2017S**

**APPEARANCES:**

Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr LLP, and Jay L. Kooper, Esq., on behalf of Middlesex Water Company, Petitioner

Veronica Beke, Deputy Attorney General, and Renee Greenberg, Deputy Attorney General (Gurbir S. Grewal, Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

Debra F. Robinson, Esq., Deputy Rate Counsel, and Susan McClure, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director)

Louis S. Rainone, Esq., Rainone, Coughlin & Minchello, LLP, on behalf of the Old Bridge Municipal Utilities Authority and Marlboro Township

Michael J. Baker, Esq., Hoagland, Longo, Moran, Dunst & Doukas, LLP on behalf of the Township of East Brunswick

**TO THE HONORABLE TRICIA M. CALIGUIRE, ALJ:**

This Stipulation of Settlement resolves all issues raised in BPU Docket No. WR17101049 in which Middlesex Water Company ("Middlesex" or the "Company") seeks to increase its rates for water service and other tariff changes. The Signatory Parties to this Stipulation of Settlement are Middlesex, the Division of Rate Counsel ("Rate Counsel"), the Staff of the Board of Public Utilities ("Staff"), and the Township of East Brunswick ("East

Brunswick”) (collectively the “Signatory Parties”). Also participating in this proceeding are the following entities who filed Motions to Intervene, which were unopposed by the Company: the Old Bridge Municipal Utilities Authority (“OBMUA”) and Marlboro Township (“Marlboro”)<sup>1</sup> (collectively the “Intervenors”) (together, the Signatory Parties and the Intervenors shall be designated the “Parties”). The Parties expect that the Intervenors will each submit letters confirming that they do not object to the terms of the Stipulation of Settlement.

As a result of an analysis of the petition, pre-filed testimony and exhibits, several conferences, negotiations, responses to hundreds of information requests and follow-up requests, and following a public hearing held in the service territory, the Signatory Parties execute this agreement to resolve the issues in dispute in this matter. Further, as specifically noted in Paragraph 13 of this Stipulation, this Stipulation includes within it recognition of an action jointly agreed upon by the Signatory Parties as applied to this base rate proceeding pursuant to the January 31, 2018 Order of the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. AX18010001, *In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017* (“Generic Tax Order”). Recognizing that the BPU retained jurisdiction over proceedings on the Generic Tax Order, the Signatory Parties are not requesting any specific New Jersey Office of Administrative Law (“OAL”) findings with respect to that Generic Tax Order but only findings related to the within Stipulation resolving this base rate proceeding. The Company has indicated its willingness to submit a separate letter filing with the Board, recognizing how the results of this Stipulation fully meet the requirements of that Generic Tax Order.

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<sup>1</sup> By Board Order dated January 31, 2018, the intervenor status of New Jersey-American Water Company, Inc. (“NJAW”) was rescinded given the statutory intervention of Marlboro Township by OAL Order dated January 29, 2018.

The Signatory Parties hereto AGREE and STIPULATE that:

On October 10, 2017, Middlesex Water Company, a public utility corporation of the State of New Jersey, pursuant to N.J.S.A. 48:2-21, and N.J.A.C. 14:1-5.11, 14:1-5.12, 14:9-7.1 et seq. and N.J.A.C. 14:9-10.1 et seq., filed a petition to increase rates for water service, to make other tariff changes, and to update the base consumption and base costs established in the Company's prior base rate proceeding<sup>2</sup> and utilized when setting the Company's Purchased Water Adjustment Clause ("PWAC") under N.J.A.C. 14:9-7.1 et seq.

First, the Company requested a rate increase of approximately \$15.3 million or approximately 19.76% above the adjusted annual level of present rate revenues for the test year ending December 31, 2017. Second, the Company requested authority to make other tariff changes to become effective on the date on which the new rates became effective unless the Board decided to act earlier on any of the proposed changes. Third, the Company requested authorization to reinstitute a Distribution System Improvement Charge ("DSIC") through a new Foundational Filing to include future planned DSIC-eligible projects.<sup>3</sup> Fourth, the Company requested deferred accounting treatment of regulatory case intervention costs associated with Middlesex's intervention in New Jersey American Water Company's current rate case, BPU Docket No. WR17090985.<sup>4</sup> Fifth, the Company requested authorization of special accounting treatment to reflect Middlesex's tax accounting change for repair and maintenance expenditures

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<sup>2</sup> The Company's prior base rate case in BPU Docket No. WR15030391 concluded by Order of the Board filed August 19, 2015, with rates effective August 29, 2015.

<sup>3</sup> The Company's last DSIC Foundational Filing was approved by the Board on August 20, 2014 in BPU Docket No. WR14050508. The DSIC rate was thereafter reset to zero in August 2015 at the conclusion of the Company's last base rate case in BPU Docket No. WR15030391.

<sup>4</sup> By the OAL Order dated December 18, 2017 in a separately docketed matter, Middlesex was granted intervenor status in the pending NJAW base rate proceeding. See Order Granting Intervention, In the Matter of the Petition of New Jersey American Water Company, Inc., for Approval of Increased Tariff Rates and Charges for Water and Sewer Service, Change in Depreciation Rates, and Other Tariff Modifications, BPU Docket No. WR17090985 (Dec. 18, 2017).

in accordance with the Internal Revenue Service's final Tangible Property Regulations ("TPR")<sup>5</sup> issued on September 9, 2013 and adopted by Middlesex on September 9, 2015.<sup>6</sup>

The Board transmitted the matter to the OAL for hearing as a contested case and Administrative Law Judge Tricia M. Caliguire was assigned to the base rate proceeding. On November 21, 2017, the Board issued an Order suspending the proposed rate increase until March 15, 2018.<sup>7</sup> A telephone pre-hearing conference was held on December 11, 2017. A pre-hearing order, identifying issues and scheduling the evidentiary hearing was circulated on December 26, 2017. After notice was given, a public hearing in the service territory was held in Woodbridge, New Jersey on the evening of January 17, 2018. No members of the public appeared at the public hearing and no written comments were received. On February 28, 2018, the Board issued an Order further suspending the proposed rate increase until July 15, 2018 unless the Board, prior to that date, makes a determination disposing of the Petition.<sup>8</sup>

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<sup>5</sup> Guidance Regarding Deduction and Capitalization of Expenditures Related To Tangible Property, 78 Fed.Reg. 57747 (Sept. 19, 2013) (amending 26 C.F.R. parts 1 and 602) <<https://www.gpo.gov/fdsys/pkg/FR-2013-09-19/pdf/2013-21756.pdf>>.

<sup>6</sup> As described in the Petition at paragraph 4 of the Fifth Count (page 11), the accounting treatment is to take the income tax refund proceeds associated with the change in accounting pertaining to all relevant tax years before the tax year of the adoption of the final TPR ("Look Back Period"), the tax year of adoption of the final TPR (2014) and the tax years subsequent to the adoption of the final TPR (2015, 2016, and 2017), defer the refunds for the Look Back Period and subsequent tax years as a regulatory asset, and amortize the balance as a reduction of income tax expense over specific time periods. The Tax Repair Allowance accounting treatment more fully described in Paragraphs 11 and 12 of this Stipulation is wholly separate from the issue concerning the effects of the *Tax Cuts and Jobs Act of 2017* and the Generic Tax Order in BPU Docket No. AX18010001 as described in Paragraph 13 of this Stipulation.

<sup>7</sup> See Order Suspending Increases, Changes or Alterations in Rates for Water Service, 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 Dkt No. WR17101049 (Nov. 21, 2017).

<sup>8</sup> See Order Further Suspending Increases, Changes or Alterations in Rates for Water Service, 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 Dkt No. WR17101049 (Feb. 28, 2018).

The Company has provided a number of updates to its original filing, including updated information regarding numerous aspects of the Company's financial condition, operations, and capital investment.

#### Settlement Terms

Numerous settlement discussions were held among the Parties, and this process resulted in the following stipulations among the Signatory Parties:

1. For the purposes of this agreement, the Company's total rate base is agreed to be \$245,154,300 based on a 12-month test year ending December 31, 2017, adjusted for certain known and measurable changes.

2. Also for the purposes of this agreement only, the Signatory Parties agree to a capital structure consisting of 47.00% long-term debt, 0.25% preferred stock, and 52.75% common equity with respective cost rates of 3.02%, 5.06%, and 9.60%. Based on this capital structure and cost rates, the Signatory Parties have therefore calculated an overall rate of return (ROR) of 6.496%. The table below shows how this ROR is obtained.

	Cap. Structure	Cost Rate	Weighted Cost Rate
Long Term Debt	47.00%	3.02%	1.419%
Preferred Stock	0.25	5.06	0.013
Common Equity	<u>52.75</u>	9.60	<u>5.064</u>
	100.00%		6.496%

The Signatory Parties, therefore, propose a 6.496% ROR or weighted average cost of capital (WACC) be applied to rate base in order to resolve this case.

3. The Signatory Parties agree that applying this 6.496% ROR to the rate base of \$245,154,300 results in a \$5,486,500 increase to the Company's revenue requirement, which represents an approximate 7.18% increase over the present rate revenue of \$76,361,490. The table below shows how the \$5,486,500 increase in revenue requirement can be obtained.

Rate Base	\$245,154,300
Rate of Return	<u>x 6.496%</u>
Required Operating Income	\$ 15,935,223
Operating Income-Present Rates	<u>- 12,180,427</u>
Deficiency	3,744,796
Revenue Conversion Factor	<u>x 1.46510</u>
Revenue Requirement	\$ 5,486,500

The methodology for the revenue conversion factor did not change from the approved methodology used in the prior base rate case and it did use the as filed with the petition 35% federal income tax rate. The final revenue conversion factor does take into consideration the lower federal income tax rate of 21% effective January 1, 2018 due to the *Tax Cuts and Jobs Act of 2017*.

4. The Signatory Parties therefore agree that the \$5,486,500 increase to the Company's revenue requirement represents a level of revenue necessary to ensure that the Company will continue to provide safe, adequate, and proper water service to its customers. See Exhibit A (Proof of Revenues).

5. The Company has submitted its proposed tariff pages, annexed hereto as Exhibit B (Tariff), pursuant to N.J.A.C. 14:3-1.3, and the Signatory Parties agree that those Rate Schedules implement the terms of this Stipulation. The proposed tariff pages reflect an increase of approximately 8.40% for General Metered Service [Rate Schedule No. 1]. The tariffs also reflect the following changes:

- (a) no increase in the Private Fire Service fixed rate [Rate Schedule No. 2];
- (b) the Public Fire Service rate [Rate Schedule No. 3] has been revised to reflect that hydrant charges have been increased 5.64% while inch foot charges have not been changed, resulting in an overall increase of 4.0%;
- (c) the Service Under Contract rate [Rate Schedule No. 5] has been increased 4.84%;
- (d) the Special Contract Service rate [Rate Schedule No. 6] has been increased 1.68%;



(e) the Transmission Service South River Basin rate [Rate Schedule No. 7] has been increased 19.92%<sup>9</sup>; and

(f) the Transmission Service Northeast Sector [Rate Schedule No. 8] has been increased approximately 87.49%.<sup>10</sup>

The Signatory Parties therefore recommend the proposed tariff pages, including rate schedules reflecting prudent and reasonable rates and charges, be approved in their entirety.

6. While agreeing for purposes of this Stipulation to certain allocation results as evidenced in the proposed tariff pages and proof of revenues exhibits attached to this Stipulation of Settlement, the Parties hereto have not agreed upon any specific allocation methodology in the resolution of the various rate design issues raised in this proceeding.

7. The Company agrees that its request to approve a new DSIC Foundational Filing as part of this base rate case docket is hereby withdrawn.

8. The Signatory Parties agree that the Company shall be allowed to recover its regulatory case intervention costs in the New Jersey-American Water Company ("NJAW") base rate proceeding, pending in BPU Docket No. WR17090985, and that the actual incremental costs incurred by the Company shall be deferred on its books as a regulatory asset, without interest, and shall be recovered in its next immediate PWAC filing following the conclusion of BPU Docket No. WR17090985. The Signatory Parties further agree that should the NJAW rate case conclude with a new rate for Rate Schedule G – Sales For Resale – Service To Other Systems

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<sup>9</sup> Rate Schedule No. 7 encompasses the entire South River Basin. Under the terms of this Stipulation, as detailed in Exhibit A (Proof of Revenues), rates for the OBMUA will increase by 8.37% over present rates and Marlboro will increase by 9.23% over present rates.

<sup>10</sup> Rate Schedule No. 8 encompasses the entire Northeast Sector. Under the terms of this Stipulation, as detailed in Exhibit A (Proof of Revenues), rates for the City of Rahway will increase by 16.96% over present rates.

(Base Rate), then the Company shall be allowed to recover the increased costs in its next immediate PWAC filing following the conclusion of BPU Docket No. WR17090985.

9. The Signatory Parties acknowledge and recognize the need of the Company to explore other means of contracting to purchase water from NJAW.<sup>11</sup> The Company has agreed to undertake diligent negotiations in good faith on a new purchased water contract with NJAW, such as a commodity-demand contract, at more favorable contract rates. In the event that the Company and NJAW are able to agree to a new purchased water contract, then the costs incurred by the Company, if different from the current cost of purchased water from NJAW, will be recovered in the Company's next immediate PWAC filing. In the event that the Company and NJAW are not able to agree to a new purchased water contract then the Company shall continue to evaluate those transmission and distribution improvements that would be necessary to enable Middlesex to terminate the current purchase water agreement with NJAW effective when the current contract ends in the year 2021.

10. The Signatory Parties request that the PWAC base consumption and base costs data annexed hereto as Exhibit C (PWAC Settlement) be adopted and the findings required by N.J.A.C. 14:9-7.1 et seq. related to the Company's PWAC be entered.

11. In 2013, the Internal Revenue Service ("IRS") issued final Tangible Property Regulations ("TPR")<sup>12</sup> to provide clarity to the question of whether expenditures to maintain, replace or improve tangible property must be capitalized or charged to expense for income tax purposes. Middlesex adopted the final TPR by timely filing with the IRS a required accounting

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<sup>11</sup> As a direct customer of NJAW, the Middlesex-NJAW contract currently requires the purchase of 3 million gallons per day of treated water at a minimum annual cost of \$2.62 million under the Board-approved Rate Schedule G – Sales For Resale – Service To Other Systems (Base Rate) under the NJAW tariff. By its petitioned base rate case filing in BPU Docket No. WR17090985, NJAW proposes a rate increase of approximately 27.4% to Middlesex.

<sup>12</sup> Guidance Regarding Deduction and Capitalization of Expenditures Related To Tangible Property, 78 Fed.Reg. 57747(Sept. 19, 2013) (amending 26 C.F.R. parts 1 and 602) <<https://www.gpo.gov/fdsys/pkg/FR-2013-09-19/pdf/2013-21756.pdf>>.

change form as part of, and included with, the Company's 2014 federal income tax return. IRS rules allow taxpayers changing their accounting method to apply the change retroactively or, apply it prospectively only. Middlesex elected to apply the change retroactively. Because this accounting change applies only for income tax purposes and not financial or regulatory accounting, it creates book/tax differences for reporting purposes. Middlesex has proposed the Board approve special accounting treatment of the associated net income tax benefit with the adoption of the final TPR for all relevant tax years before the tax year of adoption of the final TPR ("Look Back Period"), the tax year of adoption (2014), and the subsequent tax years (2015, 2016 and 2017). Specifically, Middlesex proposes to defer, for financial accounting purposes only, \$28,738,642 for the Look Back Period and years 2014, 2015, 2016 and 2017. This deferred amount shall be recorded as a regulatory liability in accordance with financial and regulatory accounting requirements and amortized as a reduction of income tax expense over 48 months. Beginning with the tax year 2018, the TPR related income tax benefits are recognized in the year incurred and shall also be recorded in accordance with financial and regulatory accounting requirements. Current capital planning estimates indicate that Utility Plant investment will likely grow by approximately an additional \$305 million by the end of 2022. By the Board specifically authorizing the special accounting treatment described herein, Middlesex expects to mitigate prospectively the impact on customers of future base rate filings. The Signatory Parties therefore agree that the Company's request to receive approval, in its entirety, of the special accounting treatment described herein should be approved.

12. The Financial Accounting Standards Board ("FASB") issued new guidance on the accounting and presentation for retirement benefits (pension plans and other retirement benefits

such as health plans).<sup>13</sup> The Company is required to adopt the FASB's new guidance on January 1, 2018. Prior to the issuance of this guidance, the Company's revenue requirement was determined in part by recording its Net Periodic Benefit Costs ("NPBC") as an Operations and Maintenance ("O&M") cost. Currently, NPBC is determined by reducing periodic benefit cost by the capitalized component of the periodic benefit costs ("Historic NPBC"). This new guidance requires that only the service cost component of the NPBC is recorded in the same O&M line item as other compensation costs arising from services rendered by employees during the period. The other components of the NPBC (interest cost, expected return on plan assets, amortization of prior service cost/credit, actuarial gain/loss, transition asset/obligation, etc.) are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations (i.e., below the line). In addition, under this new accounting guidance, only the service cost component of the NPBC is subject to capitalization. Accounting for NPBC under this new guidance would result in higher NPBC in O&M, increasing revenue requirements (the increase would be partially offset by lower capitalized periodic benefit cost that would otherwise become part of utility plant). The Signatory Parties agree that the Company shall continue to utilize the Historic NPBC method in its cost of service for setting revenue requirement.

13. As noted supra, on January 31, 2018, the Board issued the Generic Tax Order in BPU Docket No. AX18010001, captioned *In The Matter of the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017*, concerning the effects of the corporate rate change from 35% to 21% and other adjustments as set forth in the *Tax Cuts and Jobs Act of 2017*. Pursuant to this Order, New Jersey utilities are directed to calculate and defer

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<sup>13</sup> New Guidance Regarding Accounting and Reporting for Postretirement Benefit Costs, FASB Accounting Standards Update 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* <[http://www.fasb.org/cs/ContentServer?c=Document\\_C&cid=1176168888120&d=&pagename=FASB%2FDocument\\_C%2FDocumentPage](http://www.fasb.org/cs/ContentServer?c=Document_C&cid=1176168888120&d=&pagename=FASB%2FDocument_C%2FDocumentPage)>.

with interest the adjustment to rates from January 1, 2018 through March 31, 2018 and to change rates effective April 1, 2018 on an interim basis ("Phase One"). Further, utilities are directed to comply with the provisions of the order by including other adjustments in final rates by July 1, 2018 ("Phase Two"). By this Stipulation, the Signatory Parties agree that the Company has included in this Stipulation of Settlement the effect on rates of both phases of the required calculations as set forth in the Board's Generic Tax Order. Except as noted below, no further action is necessary at this time in the base rate proceeding. In addition, the Signatory Parties propose that Middlesex has, with this Stipulation, accounted for Phase One and Phase Two pursuant to the Board's Generic Tax Order. Nevertheless, if the Board determines a further adjustment is required to account for more than the \$500,000 Phase Two recovery previously accounted for as a result of the analysis already performed, the Company and the Signatory Parties agree to convene and jointly determine the most efficient method for refunding those dollars in addition to the already refunded \$500,000. The Company and Signatory Parties further stipulate that the Company has shared with them the calculation of the Phase Two adjustment, and as agreed will continue to review with them any additional calculations associated with the Phase Two adjustment, and resolve those Phase Two issues with the Signatory Parties. However, the Company agrees that should the Phase Two adjustment result in less than the \$500,000 already returned to customers with this settlement, no further adjustment will be made. With these provisions, the Signatory Parties stipulate and agree that all issues and requirements set forth in the Board's January 31, 2018 Generic Tax Order in BPU Docket No. AX18010001 as applied to Middlesex are resolved in this Stipulation of Settlement.


14. The Signatory Parties further acknowledge that any increase or resolution of any issue agreed to in this Stipulation shall become effective upon the effective date specified in the Board Order pursuant to N.J.S.A. 48:2-40.

15. This Stipulation is the product of extensive negotiations by the Signatory Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Signatory Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Signatory Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Signatory Parties have stipulated herein. The Signatory Parties agree that the within Stipulation reflects mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Signatory Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Signatory Party hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Signatory Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates, and that it will avoid protracted and costly litigation of certain issues and that with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter. While the Intervenor has not signed this Stipulation of Settlement, the Parties anticipate that they are each submitting a "no objection" letter to the Stipulation of Settlement.

16. This Stipulation may be executed in as many counterparts as there are signatories of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

MIDDLESEX WATER COMPANY

March 6, 2018  
Date:

By:   
Saul Ewing Arnstein & Lehr LLP  
Stephen B. Genzer, Esq.  
Attorney for Petitioner

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

\_\_\_\_\_  
Date:

By: \_\_\_\_\_  
Veronica Beke  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR - RATE COUNSEL

\_\_\_\_\_  
Date:

By: \_\_\_\_\_  
Susan McClure, Esq.  
Assistant Deputy Rate Counsel

TOWNSHIP OF EAST BRUNSWICK

\_\_\_\_\_  
Date:

By: \_\_\_\_\_  
Michael J. Baker, Esq.  
Hoagland, Longo, Moran, Dunst & Doukas, LLP  
Attorney for Intervenor East Brunswick

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MIDDLESEX WATER COMPANY

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Date:

By: \_\_\_\_\_  
Saul Ewing LLP  
Stephen B. Genzer, Esq.  
Attorney for Petitioner

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

3/6/2018  
Date:

By:   
Veronica Beke  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR - RATE COUNSEL

\_\_\_\_\_  
Date:

By: \_\_\_\_\_  
Susan McClure, Esq.  
Assistant Deputy Rate Counsel

TOWNSHIP OF EAST BRUNSWICK

\_\_\_\_\_  
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By: \_\_\_\_\_  
Michael J. Baker, Esq.  
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MIDDLESEX WATER COMPANY

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Saul Ewing LLP  
Stephen B. Genzer, Esq.  
Attorney for Petitioner


GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Veronica Beke  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR - RATE COUNSEL

Date: 3/6/18

By:  \_\_\_\_\_  
Susan McClure, Esq.  
Assistant Deputy Rate Counsel

TOWNSHIP OF EAST BRUNSWICK

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Michael J. Baker, Esq.  
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MIDDLESEX WATER COMPANY

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By: \_\_\_\_\_  
Saul Ewing LLP  
Stephen B. Genzer, Esq.  
Attorney for Petitioner

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey  
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\_\_\_\_\_  
Date:

By: \_\_\_\_\_  
Veronica Beke  
Deputy Attorney General


STEFANIE A. BRAND, ESQ.  
DIRECTOR - RATE COUNSEL

\_\_\_\_\_  
Date:

By: \_\_\_\_\_  
Susan McClure, Esq.  
Assistant Deputy Rate Counsel

TOWNSHIP OF EAST BRUNSWICK

3/5/18  
\_\_\_\_\_  
Date:

By:  \_\_\_\_\_  
Michael J. Baker, Esq.  
Hoagland, Longo, Moran, Dunst & Doukas, LLP  
Attorney for Intervenor East Brunswick