



September 29, 2022

**Via Electronic Mail**

Honorable Carmen Diaz  
Acting Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, NJ 08625-0350

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. WR22030138  
OAL Docket No. PUC 02047-2022S

Dear Acting Secretary Diaz:

Pursuant to the Board's Order On Emergency Relief Motion For Interim Rates issued on September 28, 2022 in the above-referenced proceeding, enclosed please find Petitioner Middlesex Water Company's ("Middlesex") complete revised tariffs increasing its Purchased Water Adjustment Clause ("PWAC") on an interim basis, subject to refund, with interest, effective October 1, 2022.

Specifically, Middlesex is enclosing the following documents:

- Clean copies of the Middlesex Tariff Rate Schedule No. 1, Fifteenth Revised Tariff Sheet No. 33A and Rate Schedule No. 5, Fifteenth Revised Sheet No. 40A implementing the increase of Middlesex's PWAC to its General Water Service (GWS) and Service Under Contract (SC) customers, respectively;
- Revision-marked copies of the above-referenced tariff sheets demarking the changes made to each tariff sheet; and
- Updates to Exhibits A, E, G and H to Middlesex's Petition filed on March 15, 2022 in the above-referenced proceeding, which provide the proofs of how the revised PWAC was calculated.

These aforementioned documents are being filed with the Board Secretary by electronic mail only pursuant to the Board's Order dated March 19, 2020 in Board Docket No. EO20030254. I hereby certify that copies of the aforementioned documents have this day been transmitted to the Service List attached to the Board's September 28, 2022 Order and to the Honorable Jacob S. Gertsman, Administrative Law Judge.

Please contact me at (732) 638-7506 or [jkooper@middlesexwater.com](mailto:jkooper@middlesexwater.com) with any questions or concerns with respect to this filing.

Very truly yours,



Jay L. Kooper  
Vice President, General Counsel & Secretary

Enclosures

cc: Service List  
Hon. Jacob S. Gertsman, ALJ, New Jersey Office of Administrative Law  
(Staci Migliaccio, Judicial Assistant)

MIDDLESEX WATER COMPANY

B.P.U. No. 1 - WATER

Fifteenth Revised Sheet No. 33A

Cancelling

Fourteenth Revised Sheet No. 33A

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RATE SCHEDULE NO. 1 (Continued)

GENERAL WATER SERVICE – GS

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGES

A charge of \$ 2.5603 per thousand cubic feet will be made to recover the increased purchased water costs.

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Date of Issue: March 15, 2022

Issued by: Dennis W. Doll, President  
485C Route 1 South  
Suite 400  
Iselin, New Jersey 08830-0452

Effective for service  
Rendered on and after:

October 1, 2022

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated September 28, 2022, in Docket No. WR22030138.

MIDDLESEX WATER COMPANY

B.P.U. No. 1 - WATER

Fifteenth Revised Sheet No. 40A

Cancelling

Fourteenth Revised Sheet No. 40A

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RATE SCHEDULE NO. 5

SERVICE UNDER CONTRACT - SC

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGES

A charge of \$113.95 per million gallons will be made to recover the increased purchased water costs.

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Date of Issue: March 15, 2022

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MIDDLESEX WATER COMPANY

~~Fifteenth~~ Revised Sheet No. 33A

Cancelling

B.P.U. No. 1 - WATER  
33A

~~Four~~ ~~Thirteenth~~ Revised Sheet No.

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RATE SCHEDULE NO. 1 (Continued)

GENERAL WATER SERVICE – GS

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGES

A charge of \$ ~~2.56030.00~~ per thousand cubic feet will be made to recover the increased purchased water costs.

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Date of Issue: ~~March 15~~ ~~May 20~~, 2022~~1~~

Effective for service  
Rendered on and after:

Issued by: Dennis W. Doll, President  
485C Route 1 South  
Suite 400  
Iselin, New Jersey 08830-0452

~~October 1, 2022~~ ~~January 1, 2022~~

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated ~~September 28~~ ~~December 15~~, 2022~~1~~, in Docket No. WR2030138~~1050813~~.

MIDDLESEX WATER COMPANY

~~Fif~~fourteenth Revised Sheet No. 40A

B.P.U. No. 1 - WATER  
40A

Cancelling

~~Four~~Thirteenth Revised Sheet No.

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RATE SCHEDULE NO. 5

SERVICE UNDER CONTRACT - SC

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGES

A charge of \$~~113.950.00~~ per million gallons will be made to recover the increased purchased water costs.

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Date of Issue: ~~March 15~~May 20, 2022~~1~~

————Effective for service  
Rendered on and after:

Issued by: Dennis W. Doll, President  
485C Route 1 South  
Suite 400  
Iselin, New Jersey 08830-0452

~~October 1, 2022~~January 1, 2022

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated ~~September 28~~December 15, 2022~~1~~, in Docket No. WR220301381050813.

**MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
PROPOSED COST PER UNIT OF VOLUME  
BPU DOCKET NO. WR22030138**

PURCHASED WATER COSTS PURSUANT TO BPU DOCKET NO. WR21050813	\$ 6,726,310
NEW COST OF PURCHASED WATER (EXHIBIT E, PAGE 2 OF 3)	6,835,185
INCREASE IN BASE PURCHASED WATER COST	<u>\$ 108,875</u>
RATE PROCEEDINGS COSTS (EXHIBIT G)	\$ 625
NJAWC BASE RATE CASE INTERVENTION COSTS (EXHIBIT G)	\$ 75,000
INCREMENTAL PURCHASED WATER COSTS (EXHIBIT E, PAGE 3 OF 3)	\$ 31,268
ADDITIONAL PURCHASED WATER COSTS (EXHIBIT E, PAGE 4 OF 4)	\$ 2,079,441
REVENUE TAX FACTOR @ (EXHIBIT H) 14.2256%	\$ 380,657
SUM OF ALLOWABLE EXPENSES	<u><u>\$ 2,675,866</u></u>
BASE CONSUMPTION - MILLION GALLONS (MG)	
	<u>MG</u>
BASE CONSUMPTION PURSUANT TO BPU DOCKET NO. WR21050813	<u>12,373.5</u>
LESS: EAST BRUNSWICK PURSUANT TO BPU DOCKET NO. WR21050813	<u>(2,422.9)</u>
BASE CONSUMPTION FOR RECOVERY OF PWAC	<u><u>9,950.6</u></u>
CURRENT PWAC RATE PER TCF (RATE SCHEDULE NO. 1, SHEET NO. 33A)	\$0.0000
CURRENT PWAC RATE PER MG (RATE SCHEDULE NO. 5, SHEET NO. 40A)	\$0.0000
PROPOSED PWAC RATE PER TCF (RATE SCHEDULE NO. 1, SHEET NO. 33A)	\$2.5603
PROPOSED PWAC RATE PER MG (RATE SCHEDULE NO. 5, SHEET NO. 40A)	\$113.9500

MIDDLESEX WATER COMPANY

Fifteenth Revised Sheet No. 33A

B.P.U. No. 1 - WATER

Cancelling

Fourteenth Revised Sheet No. 33A

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RATE SCHEDULE NO. 1 (Continued)

GENERAL WATER SERVICE – GS

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MIDDLESEX WATER COMPANY

B.P.U. No. 1 - WATER

Fifteenth Revised Sheet No. 40A  
Cancelling

Fourteenth Revised Sheet No. 40A

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RATE SCHEDULE NO. 5

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MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
BPU DOCKET NO. WR22031038

			<u>PROPOSED RATES</u>	
			<u>PWAC RATE</u>	<u>REVENUE</u>
RESIDENTIAL	USAGE (CCF)	505,835,703	0.0025603	1,295,091
COMMERCIAL	USAGE (CCF)	237,033,052	0.0025603	606,876
INDUSTRIAL	USAGE (CCF)	143,558,085	0.0025603	367,552
SUBTOTAL				<u>2,269,519</u>
PRIVATE FIRE	USAGE (CCF)	16,425,776	0.0025603	42,055
PUBLIC FIRE	USAGE (CCF)	0	0.0025603	0
SUBTOTAL				<u>42,055</u>
SUB-TOTAL				<u>2,311,574</u>
EDISON / HIGHLAND PARK	USAGE (MG)	1,025.424	113.95	116,847
EAST BRUNSWICK	USAGE (MG)	2,422.908	N/A	0
OLD BRIDGE MUA	USAGE (MG)	870.717	113.95	99,218
MARLBORO	USAGE (MG)	1,106.307	113.95	126,064
RAHWAY	USAGE (MG)	194.802	113.95	22,198
SUBTOTAL				<u>364,327</u>
ROUNDING				(34)
TOTAL PWAC REVENUE				<u><u>2,675,866</u></u>

**MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
PROPOSED COST PER UNIT OF VOLUME  
BPU DOCKET NO. WR22030138**

PURCHASED WATER COSTS PURSUANT TO BPU DOCKET NO. WR21050813	\$	6,726,310
NEW COST OF PURCHASED WATER (EXHIBIT E, PAGE 2 OF 3)		6,835,185
INCREASE IN BASE PURCHASED WATER COST	\$	<u>108,875</u>
RATE PROCEEDINGS COSTS (EXHIBIT G)	\$	625
NJAWC BASE RATE CASE INTERVENTION COSTS (EXHIBIT G)	\$	75,000
INCREMENTAL PURCHASED WATER COSTS (EXHIBIT E, PAGE 3 OF 3)	\$	31,268
ADDITIONAL PURCHASED WATER COSTS (EXHIBIT E, PAGE 4 OF 4)	\$	2,079,441
REVENUE TAX FACTOR @ (EXHIBIT H)	14.2256%	\$ 380,657
SUM OF ALLOWABLE EXPENSES	\$	<u><u>2,675,866</u></u>
BASE CONSUMPTION - MILLION GALLONS (MG)		
		MG
BASE CONSUMPTION PURSUANT TO BPU DOCKET NO. WR21050813		<u>12,373.5</u>
LESS: EAST BRUNSWICK PURSUANT TO BPU DOCKET NO. WR21050813		<u>(2,422.9)</u>
BASE CONSUMPTION FOR RECOVERY OF PWAC		<u><u>9,950.6</u></u>
CURRENT PWAC RATE PER TCF (RATE SCHEDULE NO. 1, SHEET NO. 33A)		\$0.0000
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PROPOSED PWAC RATE PER TCF (RATE SCHEDULE NO. 1, SHEET NO. 33A)		\$2.5603
PROPOSED PWAC RATE PER MG (RATE SCHEDULE NO. 5, SHEET NO. 40A)		\$113.9500

MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
BPU DOCKET NO. WR22030138

**SCHEDULE OF BASE COSTS OF PURCHASED WATER  
PER MWC BPU DOCKET NO. WR21050813**

<u>PURVEYOR</u>	<u>RATE PER MG</u>	<u>MINIMUM TAKE OR PAY AMOUNTS (MG)</u>	<u>COST</u>
<u>NEW JERSEY AMERICAN WATER</u>			
BASE RATE TARIFF SCHEDULE G (BPU DOCKET NO. 19121516)	\$2,554.30	1,095.00	\$2,796,959
PWAC RATE SCHEDULE O-1 (BPU DOCKET NO. WR20110719)	\$364.60		\$399,237
TOTAL NEW JERSEY AMERICAN WATER COST PER MG	\$2,918.90		
BASELINE ADDITIONAL WATER PURCHASES	\$2,918.90	14.25	\$41,591
TOTAL NEW JERSEY AMERICAN WATER			\$3,237,787
<u>NEW JERSEY WATER SUPPLY AUTHORITY</u>			
BASE RATE - TIER 1 (20 MGD)	\$336.00	7,300.00	\$2,452,800
BASE RATE - TIER 2 (7 MGD)	\$405.37	2,555.00	\$1,035,724
TOTAL NEW JERSEY WATER SUPPLY AUTHORITY			\$3,488,524
		<u>10,964.25</u>	<u>\$6,726,310</u>

**SCHEDULE OF PROJECTED REVISED PURCHASED WATER COSTS**

<u>PURVEYOR</u>	<u>RATE PER MG</u>	<u>MINIMUM TAKE OR PAY AMOUNTS (MG)</u>	<u>COST</u>
<u>NEW JERSEY AMERICAN WATER</u>			
BASE RATE TARIFF SCHEDULE G (BPU DOCKET NO. 22010019 SETTLEMENT)	\$2,699.20	1,095.0	\$2,955,624
PWAC RATE SCHEDULE O-1 (BPU DOCKET NO. WR21111220)	\$397.80		\$435,591
TOTAL NEW JERSEY AMERICAN WATER COST PER MG	\$3,097.00		
BASELINE ADDITIONAL WATER PURCHASES	\$3,097.00	14.25	\$44,129
TOTAL NEW JERSEY AMERICAN WATER			\$3,435,344
<u>NEW JERSEY WATER SUPPLY AUTHORITY</u>			
BASE RATE - TIER 1 (20 MGD)	\$336.00	7,300.0	\$2,452,800
BASE RATE - TIER 2 (7 MGD)	\$405.37	2,555.0	\$1,035,724
RETROACTIVE DEBT SERVICE CHARGE (\$14,770.31 X 12 MONTHS) RCR-A-10			(\$177,244)
RETROACTIVE DEBT SERVICE CHARGE CREDIT RECEIVED JUNE 2020 RCR-A-10			\$88,561
TOTAL NEW JERSEY WATER SUPPLY AUTHORITY			\$3,399,841
		<u>10,964.25</u>	<u>\$6,835,185</u>

**MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
BPU DOCKET NO. WR22030138**

**Incremental Purchased Water Costs (Contract Requirement)**

	<u>Base Rate</u>	<u>Take/Pay Volume (MGD)</u>	<u>Days in Period</u>	<u>Total Cost</u>
NJAWC Base Rate (Effective Date 9/1/22)	\$ 2,699.20	3.0	30	\$ 242,928
NJAWC Base Rate (Effective Date 11/1/20)	<u>\$ 2,554.30</u>	3.0	30	<u>\$ 229,887</u>
	\$ 144.90			<u>\$ 13,041</u>
NJAWC - 4/1/22 thru 9/1/22 PWAC Rate (Effective Date 4/1/22)	<u>\$ 397.80</u>	<u>3.0</u>	<u>183</u>	<u>\$ 218,392</u>
NJAWC - 4/1/22 thru 9/1/22 PWAC Rate (In MWC Rates Effective 1/1/22)	<u>\$ 364.60</u>	<u>3.0</u>	<u>183</u>	<u>\$ 200,165</u>
Change	\$ 33.20			<u>\$ 18,227</u>
				<u><u>\$ 31,268</u></u>
<b>Total Deferred Purchased Water Costs</b>				<b><u><u>\$ 31,268</u></u></b>

MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
BPU DOCKET NO. WR22030138

Water Purchases Over Contractual Take/Pay Minimum Due to Park Ave Shut Down

<u>Actual</u>	<u>MG/Day</u>	<u># Days</u>	<u>Total MG</u>	<u>Cost/MG</u>	<u>Total Cost</u>
May (1)	3.0	28	84.0	\$ 2,952.10 (B)	\$ 247,976
<b>Projected</b>					
June	3.0	30	90.0	\$ 2,952.10 (B)	265,689
July	7.0	31	217.0	\$ 2,952.10 (B)	640,606
August	7.0	31	217.0	\$ 2,952.10 (B)	640,606
September	3.0	30	90.0	\$ 3,097.00 (C)	<u>278,730</u>

Total Projected Water Purchases Over Contractual Take/Pay Minimum \$ 2,073,607

(1) Only 28 days included for May since NJAWC experienced plant issues and requested MWC reduce water flow take for 3 days during the month.

Standard Water Purchases Over Contractual Take/Pay Minimum

<u>Actual</u>	<u>Total MG</u>	<u>Total Cost</u>
October, 2021	2.348	\$ 2,918.90 (A) \$ 6,854
November, 2021	0.141	\$ 2,918.90 (A) 412
December, 2021	0.236	\$ 2,918.90 (A) 689
January, 2022	10.496	\$ 2,918.90 (A) 30,635
February, 2022	1.042	\$ 2,918.90 (A) 3,041
March, 2022	0.007	\$ 2,918.90 (A) 20
April, 2022	0.167	\$ 2,952.10 (B) 493
May, 2022	1.789	\$ 2,952.10 (B) 5,281

Total Standard Water Purchases Over Contractual Take/Pay Minimum \$ 47,425

Total Additional Water Purchases Over Contractual Take/Pay Minimum	\$ 2,121,032
Less: Baseline Additional Water Purchases (MWC BPU Docket #WR21050813)	(41,591)
<b>Total Additional Purchase Water Costs</b>	<b><u>2,079,441</u></b>

NJAWC - 1/1/22 thru 3/31/22	<u>Rate</u>
Base Rate	\$ 2,554.30
PWAC Rate	\$ 364.60
	<u>\$ 2,918.90 (A)</u>

NJAWC - 4/1/22 thru 8/31/22	<u>Rate</u>
Base Rate	\$ 2,554.30
PWAC Rate	\$ 397.80 NJAWC PWAC Rate Effective 4/1/22
	<u>\$ 2,952.10 (B)</u>

NJAWC - 9/1/22 thru 9/30/22	<u>Rate</u>
Base Rate	\$ 2,699.20 NJAWC Base Rate Effective 9/1/22
PWAC Rate	\$ 397.80 NJAWC PWAC Rate Effective 4/1/22
	<u>\$ 3,097.00 (C)</u>

**MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
RATE PROCEEDINGS COSTS  
BPU DOCKET NO. WR22030138**

MWC 2022 PWAC Proceeding Costs

Court Reporter	\$350	
Public Hearing Notices	650	
Public Hearing Rental Space	150	
Misc Supplies	100	
Total	<u>\$1,250</u>	
50% Sharing	<u>50%</u>	\$625
NJAWC Base Rate Case Intervention Costs (1)	<u>\$75,000</u>	
Total Costs		<u><u>\$75,625</u></u>

(1) Costs projected to be incurred as an active intervenor in the New Jersey American Water Company (NJAWC) base rate proceeding (BPU Docket No. WR22010019).

**MIDDLESEX WATER COMPANY  
PURCHASED WATER ADJUSTMENT CLAUSE  
TAX GROSS UP CALCULATION  
BPU DOCKET NO. WR22030138**

		@ 7/1/2022 <u>89.943690%</u>
	Total Tax Rates	Public/Private ROW Adjustment
Franchise - Excise	0.6250%	0.5622%
Franchise	5.0000%	4.4972%
Gross Receipts	0.9375%	0.9375%
Gross Receipts - Excise	7.5000%	7.5000%
Total GRAFT Rate	<u>14.0625%</u>	<u>13.4968%</u>
NJBPU/RC Assessment (A)	0.3014%	0.3014%
Bad Debt	0.4273%	0.4273%
Total		<u>14.2256%</u>

(A)

BPU:	0.00248290737830	2022 Assessment Invoice
Rate Counsel:	<u>0.000530996898013</u>	2022 Assessment Invoice
	0.003013904276313	