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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Mr. & Mrs. Robert Bramble 28 Buxton Court Southampton, NJ 08088 (609)801-2712 November 21, 2022

RE: Pinelands Water Co - Docket WR22090555

Honorable Carmen Diaz Acting Secretary of the Board New Jersey Board of Public Utilities 44 South Clinton Ave 9th floor Trenton, NJ 08625-0350

Dear Honorable Diaz,

Today, we write you as six-year residents of Leisuretowne, Southampton, NJ. About two years ago, the local water utilities company, Pinelands Water & Sewer Company, subsidiary of Middlesex Water, was requesting a 77% increase in their annual rates for service.

There was a public hearing held with local residents, BPU representatives and water company officials. Some residents spoke at the meeting, us included. We stressed that this is a retirement community with many residents on fixed incomes. Many of our neighbors live on social security alone. We expressed our understanding and willingness to install high efficiency appliances and low flow toilets and shower heads. Many of us newer to the community have done just that. Nevertheless, after our pleas for fairness, we were hit with a 44% increase.

The Pinelands Water Company had expressed during the meeting that they needed the increase to assist in maintaining the old infrastructure in our neighborhoods. The first division of Leisuretowne was built in the 1970's. Since the increase, there has been absolutely no work done anywhere in Leisuretowne by Pinelands Water Company. The only thing "new" noticed by many residents are the new trucks that are being driven in and around Southampton & Vincentown.

Now, the water company is back with a request for a \$400 annual fee increase on top of the 44% increase they enjoyed two years ago. The fees alone run over \$125, while water usage in our household is \$40; and they want more. As well, the quality of the water is poor. Constant heavy chlorine smell, a 6 month water filter lasts 3 months.

Please assist us in stopping the madness for the benefit of the seniors here in Leisuretowne. The Pinelands Water Company also services Vincentown & Hampton Lakes. A virtual public hearing has been scheduled for December 8, 2022, 4:30pm - 5:30pm. Virtual is not acceptable or plausible for the many seniors in our community. Notice attached.

Thank you for your assistance in this matter.



Yours truly,

Robert & Kim Bramble

Robert & Kim Bramble

★ Bramble1@comcast.net

Cc: Gov Phil Murphy
District 8 Legislators
Congressman Andy Kim



Middlesex Water Company Affiliates

September 7, 2022

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

Re:

In the Matter of Pinelands Water Company For Approval of an Increase in its Rates for Water Service and Other Tariff Changes BPU Docket No. WR22090555

Dear Acting Secretary Diaz:

Enclosed herewith for filing please find Pinelands Water Company's ("Pinelands Water", "Company", or "Petitioner") Petition, Exhibits and prepared Testimony in the above-referenced matter, which is being filed both by electronic mail with a hard-copy version by overnight mail to your attention. A copy of the complete filing can also be found on the Company's website at: http://www.middlesexwater.com/customer-care/regulatory.

Copies of this Petition, Exhibits and prepared Testimony have been sent by electronic mail to the Department of Law and Public Safety and the Director of the Division of Rate Counsel and, by first class mail, upon the Clerk of Southampton Township and the Clerk of the Board of Chosen Freeholders of Burlington County, which includes the Petitioner's service territory.

The case may be summarized as a petition for approval of an increase in rates seeking an overall increase of approximately \$609,576 or 64.22%. In addition, the Petitioner seeks approval, pursuant to N.J.A.C. 14:1-5.11, of changes to Petitioner's Tariff. Pinelands Water is filing for the recovery of prudently-incurred investments made to address aging infrastructure and a variety of other improvements to help ensure the continued resilience, reliability and overall quality of service since the Company's last rate base filing in March 2019.

In the Petition, the Company also notifies the Board that it will implement the proposed rates on June 7, 2023 if the Board has suspended the effective date of the new rates pursuant to N.J.S.A. 48:2-21, but has not finally determined a just and reasonable tariff prior to that date.

For all of these above reasons, Pinelands Water respectfully requests that the Board approve this proposed increase in rates and changes to the Company's Tariff pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.11, and N.J.A.C. 14:1-5.12. Kindly confirm receipt of this filing by electronic mail to jkooper@middlesexwater.com

Jay L. Kooper, Esq.
General Counsel

Enclosures

cc: Service List B

PINELANDS WATER COMPANY BALANCE SHEET JUNE 2022

| | JUNE |
|--|-----------|
| | 2022 |
| Utility Plant | |
| Utitlity Plant In Service | 7,123,485 |
| Acquisition Adjustment | 58,646 |
| Construction Work In Progress | 163,195 |
| TOTAL | 7,345,325 |
| Less: Accumulated Depreciation | 1,430,114 |
| | 5,915,211 |
| Utility Plant - Net | 3,913,211 |
| | |
| Current Assets | 100,083 |
| Cash and Cash Equivalents Accounts Receivable | 131,067 |
| Accounts Accounts Accounts | (31,296 |
| Prepayments | 13,566 |
| Accrued Unbilled Revenues | 23,037 |
| Total Current Assets | 236,457 |
| Total Current Assets | 230,437 |
| Deferred Characa And Other Assets | |
| Deferred Charges And Other Assets Regulatory Asset - Deferred Debits | 4,063 |
| | |
| Total Deferred Debits | 4,063 |
| Total Assets | 6,155,730 |
| | |
| Capitalization | |
| Common Equity | |
| Common Stock, No Par Value | 1,000 |
| Paid In Capital | 1,249,000 |
| Retained Earnings | 617,193 |
| Total Capitalization | 1,867,193 |
| Current Liabilities | |
| Notes Payable to Middlesex Water | 1,643,773 |
| Accounts Payable Trade | 79,115 |
| Accounts Payable to MWC | 611,839 |
| Accrued Taxes | 136,576 |
| Other Current Liabilities | 84,875 |
| Total Current Liabilities | 2,556,178 |
| | |
| Deferred Credits & Other Liabilities | |
| Customer Advances for Construction | 28,979 |
| Other Deferred Credits | 246,412 |
| Total Deferred Credits | 275,391 |
| Contributions In Aid of Construction | 1,456,969 |
| | 200 |
| Total Capitalization & Liabilities | 6,155,730 |



Middlesex Water Company Affiliates

September 7, 2022

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

Re:

In the Matter of Pinelands Wastewater Company For Approval of an Increase in its Rates for Water Service and Other Tariff Changes BPU Docket No. WR2209

Dear Acting Secretary Diaz:

Enclosed herewith for filing please find Pinelands Wastewater Company's ("Pinelands Wastewater", "Company", or "Petitioner") Petition, Exhibits and prepared Testimony in the above-referenced matter, which is being filed both by electronic mail with a hard-copy version by overnight mail to your attention. A copy of the complete filing can also be found on the Company's website at: http://www.middlesexwater.com/customer-care/regulatory.

Copies of this Petition, Exhibits and prepared Testimony have been sent by electronic mail to the Department of Law and Public Safety and the Director of the Division of Rate Counsel and, by first class mail, upon the Clerk of Southampton Township and the Clerk of the Board of Chosen Freeholders of Burlington County, which includes the Petitioner's service territory.

The case may be summarized as a petition for approval of an increase in rates seeking an overall increase of approximately \$417,160 or 26.76%. In addition, the Petitioner seeks approval, pursuant to N.J.A.C. 14:1-5.11, of changes to Petitioner's Tariff. Pinelands Wastewater is filing for the recovery of prudently-incurred investments made to address aging infrastructure and a variety of other improvements to help ensure the continued resilience, reliability and overall quality of service since the Company's last rate base filing on March 2019.

In the Petition, the Company also notifies the Board that it will implement the proposed rates on June 7, 2023 if the Board has suspended the effective date of the new rates pursuant to N.J.S.A. 48:2-21, but has not finally determined a just and reasonable tariff prior to that date.

For all of these above reasons, Pinelands Wastewater respectfully requests that the Board approve this proposed increase in rates and changes to the Company's Tariff pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.11, and N.J.A.C. 14:1-5.12. Kindly confirm receipt of this filing by electronic mail to jkooper@middlesexwater.com

Very truly yours,

Jay Leysu Jay L. Kooper, Esq. General Counsel

Enclosures

cc: Service List B

PINELANDS WASTEWATER COMPANY BALANCE SHEET JUNE 2022

| | JUNE |
|---|-------------------------------|
| | 2022 |
| Utility Plant | |
| Utitlity Plant In Service | 10,575,478 |
| Acquisition Adjustment | 151,572 |
| Construction Work In Progress | 246,927 |
| TOTAL | 10,973,977 |
| Less: Accumulated Depreciation | 3,489,229 |
| | |
| Utility Plant - Net | 7,484,748 |
| | |
| Current Assets | |
| Cash and Cash Equivalents | 95,896 |
| Accounts Receivable | 125,408 |
| Accumulated Provision for Uncollectible Accounts | (29,401 |
| Prepayments | 20,793 |
| Accrued Unbilled Revenues | 59,366 |
| Total Current Assets | 272,062 |
| Deferred Charges And Other Assets | |
| Regulatory Asset - Deferred Debits | 4,069 |
| Total Deferred Debits | 4,069 |
| Total Assets | 7,760,878 |
| Capitalization Common Equity Common Stock, No Par Value Paid In Capital | 1,000 1, 681,00 0 |
| Retained Earnings | 829,123 |
| Total Capitalization | 2,511,123 |
| C (T: 122) | |
| Current Liabilities Notes Prophle to Middleson Water | 2 100 062 |
| Notes Payable to Middlesex Water | 2,1 80,86 2 131,829 |
| Accounts Payable Trade Accounts Payable to MWC | (217,470 |
| Accounts Fayable to M w C Accrued Taxes | 219,374 |
| | |
| Total Current Liabilities | 2,314,595 |
| Deferred Credits & Other Liabilities | |
| Customer Advances for Construction | 125,900 |
| Other Deferred Credits | 508,257 |
| Total Deferred Credits | 634,156 |
| Contributions In Aid of Construction | 2,301,003 |
| | |
| Total Capitalization & Liabilities | 7,760,87 |



STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE REVISION OF RATES FILED BY PINELANDS WATER COMPANY

DIRECT TESTIMONY

OF

G. CHRISTIAN ANDREASEN, JR. PRESIDENT

SEPTEMBER 2022

| 1 | | PINELANDS WATER COMPANY |
|----|----|--|
| 2 | | STATEMENT OF THE PRESIDENT |
| 3 | | DIRECT TESTIMONY OF G. CHRISTIAN ANDREASEN, JR. |
| 4 | | |
| 5 | Q. | PLEASE STATE FOR THE RECORD YOUR NAME, OCCUPATION |
| 6 | | AND BUSINESS ADDRESS. |
| 7 | A. | My name is G. Christian Andreasen, Jr. I am the President of Pinelands |
| 8 | | Water Company, (PWC or the Company). In addition, I am the Vice |
| 9 | | President of Enterprise Engineering for Middlesex Water Company |
| 10 | | (Middlesex) in New Jersey. My business address is 485C Route 1 South, |
| 11 | | Suite 400, Iselin, New Jersey. |
| 12 | Q. | PLEASE STATE YOUR PROFESSIONAL AND EDUCATIONAL |
| 13 | | BACKGROUND AND EXPERIENCE. |
| 14 | A. | My professional qualifications and experience are set forth on Appendix A |
| 15 | | attached hereto. |
| 16 | Q. | WHAT IS THE PURPOSE OF YOUR TESTIMONY? |
| 17 | A. | My testimony in this proceeding is to discuss the overall reasons for the rate |
| 18 | | request, provide an overall description of the water system facilities and the |
| 19 | | operation of PWC, introduce the other witnesses who will testify in this |
| 20 | | proceeding, and discuss the proposed tariff and tariff design. |
| 21 | Q. | ARE YOU FAMILIAR WITH THE SERVICE AREA, SYSTEM |
| 22 | | FACILITIES, AND OPERATION OF PWC? |

| 1 | A. | Yes. I have been employed by Middlesex since 1982, elected President of |
|----|----|---|
| 2 | | PWC in 2020 and prior to that was Vice President of Operations of PWC |
| 3 | | since January 2005. Prior to 2005, I provided engineering and project |
| 4 | | management support services to PWC on various projects and operations |
| 5 | | following the acquisition of PWC by Middlesex. In addition, I have |
| 6 | | reviewed the books and records of these facilities and have inspected |
| 7 | | facilities in the field. |
| 8 | Q. | WILL YOU BRIEFLY DISCUSS THE NEED FOR THIS RATE |
| 9 | | INCREASE? |
| 10 | A. | The increase requested is necessary to address capital investment since the |
| 11 | | 2019 rate case, cost increases for labor, benefits and other expenses as well |
| 12 | | as adjustments for other changes which are known and/or reasonably |
| 13 | | anticipated to occur in the Test Year or in close proximity. |
| 14 | | Since the last rate proceeding, (BPU Docket No. WR19030417) through |
| 15 | | March 31, 2022, the Company invested approximately \$1,368,534 in utility |
| 16 | | plant not currently recognized in rates. From March 31, 2022 through the |
| 17 | | end of the adjusted Test Year, December 31, 2022, the Company plans to |
| 18 | | invest approximately \$1,583,840 in utility plant. This utility plant |
| 19 | | investment includes service upgrades required for both regulatory |
| 20 | | compliance and to ensure continued reliability of the system. |
| 21 | | Mr. Brian F. Carr will submit testimony that will demonstrate the need for |
| 22 | | the utility plant investments, as these additions to utility plant will serve |

| 1 | customers during the period that rates set in this proceeding are anticipated |
|---|---|
| 2 | to be in effect. |
| 3 | The current proceeding seeks recognition of these investments as additions |

to the Company's rate base, together with a fair and reasonable rate of return on the entire net investment rate base during the period rates are expected to be in effect. This recognition is expected to provide the Company with a reasonable opportunity to achieve a fair and appropriate return. The testimonies of Mr. Robert Capko and Ms. Michele Tilley will provide support for the Test Year results of operations and known and measurable adjustments to the Test Year pro forma income statement and rate base as well as for the proposed rate of return, capital structure and revenue requirement in this proceeding.

13 Q. ARE YOU FAMILIAR WITH THE PROPOSED TARIFFS SET FORTH 14 AS EXHIBIT A TO THE PETITION?

A. Yes, I am responsible for the development of the proposed tariffs set forth in Exhibit A to the Petition. The Company is proposing that each customer class receive the same percentage increase in rates and that the change in rates should be applied equally to the Service Charge and Consumption Charges within the respective customer classes. Therefore, the tariff rates are based on average percentage increases applied to existing tariffs of the Company.

| 1 | Q. | ARE THERE ANY ADDITIONAL CHANGES BEING PROPOSED TO |
|----|----|--|
| 2 | | THE TARIFF? |
| 3 | A | Yes, the Company is proposing to establish a tariff provision to address the |
| 4 | | unauthorized use of water from public fire hydrants by entities other than |
| 5 | | fire departments, typically contractors doing work in the area using the |
| 6 | | water for non-fire protection purposes. This is being proposed as an |
| 7 | | additional mechanism for the Company to deter this dangerous and criminal |
| 8 | | practice, which while infrequent runs the grave risk of negatively impacting |
| 9 | | the operations of the system when it occurs. The proposed new tariff |
| 10 | | provision will provide a basis for invoicing these unauthorized parties for |
| 11 | | monetary compensation for the unauthorized use if and when it occurs. |
| 12 | Q. | WHAT ARE THE REASONS FOR THE PROPOSED CHANGES TO |
| 13 | | THE NON-RATE SECTION OF THE COMPANY'S TARIFF? |
| 14 | A. | Since the New Jersey Board of Public Utilities' (NJBPU or the Board) last |
| 15 | | approval of the Company's tariff, the Company has reviewed its tariff and |
| 16 | | determined that its present tariff language addressing matters of liability is |
| 17 | | not adequate to meet current industry challenges. Consequently, the |
| 18 | | Company researched liability provisions contained in the Board-approved |
| 19 | | tariffs of other New Jersey water and wastewater utilities, and identified |
| 20 | | commonly used provisions in existing tariffs. With this request, the |
| 21 | | Company now seeks the Board's approval to adopt those provisions in |

PWC's tariffs. In addition, the Company has proposed a provision

- addressing the Company's responsibilities when notices regarding water
 service matters are issued to the public. The Company proposes to amend
 its tariffs to be consistent with other New Jersey utilities, and to protect
 itself and its customers from incurring unnecessary costs.
- Q. HAVE YOU REVIEWED EXHIBIT P-5 TO THE DIRECT TESTIMONY
 OF MICHELE L. TILLEY?
- 7 A. Yes. I am familiar with the items of revenue and expense shown on Exhibit 8 P-5.
- 9 Q. DO YOU HAVE ANY COMMENTS ON THE REASONABLENESS OF
 10 THE PROPOSED TEST YEAR AMOUNTS?
- 11 A. Yes. The revenues shown on Exhibit P-5 represent the annualized actual
 12 and projected revenues from the existing customer base during the twelve
 13 months ending December 31, 2022. Similarly, the operating expenses and
 14 taxes represent the annualized actual and projected costs of operating the
 15 system during the same twelve-month period.

16

base of the Company for the twelve months ended December 31, 2022
under present rates. Cost increases and utility plant additions since the
Company's last rate case have eroded the overall rate of return to well
below the authorized rate of return approved by the NJBPU in that rate
case. Therefore, the requested rate increase is necessary for the provision of

Exhibit P-5 illustrates the inadequacy of the projected return on the rate

| 1 | | safe, adequate and proper service as well as to provide the Company an |
|----|----|--|
| 2 | | opportunity to earn a fair return on its investment. |
| 3 | Q. | DO YOU HAVE ANY ADDITIONAL COMMENTS ON EXHIBIT P-5? |
| 4 | A. | I have provided information to Ms. Tilley concerning the aspects of the |
| 5 | | operations of PWC and corresponding expenses. This information includes |
| 6 | | staffing, treatment, pumping maintenance and other elements of operations. |
| 7 | | No adjustments are expected for purchased power, chemicals, or other non- |
| 8 | | labor related operating expenses for T&D, pumping or treatment. |
| 9 | Q. | ARE YOU FAMILIAR WITH THE SERVICE AGREEMENT BETWEEN |
| 10 | | PINELANDS WATER COMPANY AND MIDDLESEX WATER |
| 11 | | COMPANY? |
| 12 | A. | Yes. |
| 13 | Q. | WOULD YOU DESCRIBE SOME OF THE SERVICES PROVIDED BY |
| 14 | | MIDDLESEX AND HOW SUCH AN ARRANGEMENT IS |
| 15 | | BENEFICIAL TO THE CUSTOMERS OF THE TWO COMPANIES? |
| 16 | A. | Middlesex provides supervisory and support services to the Company under |
| 17 | | the Service Agreement. These services include operational supervision, |
| 18 | | regulatory monitoring and reporting, maintenance and repair, replacement, |
| 19 | | engineering, budgeting, billing and customer service, purchasing, |
| 20 | | accounting, human resources, risk management, records management, cyber |
| 21 | | security, Information Technology services and legal services. |

- Through this Service Agreement, the operational and professional expertise

 of Middlesex personnel is available to the Company on an "as needed"

 basis at reasonable costs compared to using outside consultants.
- 4 Q. WILL YOU DISCUSS THE COMPANY'S POLICY REGARDING
 5 CUSTOMER SERVICE?
- A. The Company's customer service is provided by Middlesex. Middlesex has

 continually worked to improve its customer service capabilities through

 training programs, effective use of technology and commitment to quality

 customer service. Customer service inquiries and complaints are handled in

 a professional manner. Emergency after hours response is provided through

 a third party answering service and on call Company personnel response.
- CAN YOU PROVIDE AN UPDATE TO THE CELL TOWER LEASES 12 Q. 13 OF SPACE AT THE COMPANY'S DISTRIBUTION STORAGE TANK? Yes. There are two carriers that as of January 1, 2022 have active contracts 14 A. for leased space on the distribution storage tank. One of the carriers, Sprint 15 Spectrum, has indicated that they intend to terminate their lease effective 16 17 September 30, 2022 pursuant to the terms of the lease agreement. This will result in one remaining active lease agreement at the tank site. Several 18 19 improvements have been implemented including gate access control, 20 increased fencing, and video recording to help manage these third party 21 activities to protect the operations of the Company at this critical site.