



May 15, 2023

Honorable Sherri Golden  
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 of a Foundational Filing For Establishing a Distribution System Improvement Charge

BPU Docket No. WR2305\_\_\_\_\_

Dear Secretary Golden:

Enclosed herewith for filing please find Middlesex Water Company's ("Middlesex" or "the Company", or "Petitioner") Petition for Board approval of Middlesex's proposed Foundational Filing for establishing a Distribution System Improvement Charge ("DSIC") pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-10.1 et seq. and such other statutes and regulations and Board Orders that may be deemed by the Board to be applicable for approval of the relief sought in the enclosed Petition. A copy of this complete filing can also be found on Middlesex Water Company website at: <https://www.middlesexwater.com/customer-care/regulatory-filings/>.

Copies of this Petition and Exhibits have this day 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 clerks of the various municipalities comprising the Petitioner's service territory and the clerks of the Boards of County Commissioners in each affected county.

Middlesex respectfully requests that the Board retain jurisdiction of this matter and render a decision thereon.

Kindly confirm receipt of this filing by electronic mail to [jkooper@middlesexwater.com](mailto:jkooper@middlesexwater.com).

Very truly yours,

A handwritten signature in blue ink that reads "Jay Kooper".

Jay L. Kooper

Vice President, General Counsel & Secretary

Enclosures

cc: Service List B

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

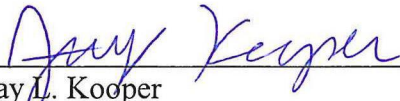
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	:	CERTIFICATE OF SERVICE
In the Matter of MIDDLESEX	:	
WATER COMPANY for Approval of a	:	
Foundational Filing For Establishing a	:	
Distribution Service Improvement Charge	:	

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Jay L. Kooper, an Attorney at Law of New Jersey, hereby certifies the following:

On May 15, 2023 I caused to be served by first-class mail, postage prepaid, a copy of the within Petition to each party on the attached Service List B, and copies thereof to the Department of Law and Public Safety and to the Director, Division of Rate Counsel by electronic mail.

  
\_\_\_\_\_  
Jay L. Kooper

Dated: May 15, 2023

IN THE MATTER OF THE PETITION OF MIDDLESEX WATER COMPANY  
FOR APPROVAL OF A FOUNDATIONAL FILING FOR ESTABLISHING A  
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE  
BPU DOCKET NO.: WR2305\_\_\_\_\_

~ Service List B ~

Clerk, Borough of Carteret  
Municipal Building  
61 Cooke Avenue  
Carteret, NJ 07008

Clerk, Township of Clark  
Municipal Building  
430 Westfield Avenue  
Clark, NJ 07066

Clerk, Borough of Metuchen  
Borough Hall  
Main and Middlesex Avenues  
Metuchen, NJ 08840

Clerk, Township of Edison  
Municipal Building  
100 Municipal Boulevard  
Edison, NJ 08817

Clerk, Township of Woodbridge  
1 Main Street  
Woodbridge, NJ 07095

Clerk, Middlesex County  
Board of County Commissioners  
1 J.F. Kennedy Square  
New Brunswick, NJ 08903

Clerk, Borough of Metuchen  
Borough Hall  
Main and Middlesex Avenues  
Metuchen, NJ 08840

Clerk, City of South Amboy  
140 North Broadway  
South Amboy, NJ 08879-1647

Clerk, Borough of South Plainfield  
Borough Hall  
2840 Plainfield Avenue  
South Plainfield, NJ 07080

Clerk, Union  
Board of County Commissioners  
Administration Building - 2nd Floor  
Elizabeth, NJ 07207

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

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In the Matter of the Petition of	:	PETITION
MIDDLESEX WATER COMPANY For	:	
Approval of a Foundational Filing For	:	Docket No. WR2305_____
Establishing a Distribution System	:	
Improvement Charge	:	

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TO: THE HONORABLE COMMISSIONERS OF THE BOARD OF  
PUBLIC UTILITIES:

Petitioner, Middlesex Water Company (hereinafter referred to as “Petitioner,” “Middlesex” or the “Company”), respectfully submits this Petition pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-10.1 et seq. and such statutes, regulations and Board orders that may be deemed by the Board to be applicable, for approval to file and implement a Distribution System Improvement Charge (“DSIC”). In support of this Petition, Middlesex states as follows:

1. Middlesex is a corporation organized and existing under the laws of the State of New Jersey, with its principal offices located at 485C Route One South, Suite 400, Iselin, New Jersey 08830.

2. Middlesex is a duly organized and existing public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (the “Board” or “BPU”). Middlesex provides water services to approximately 61,000 retail customers, primarily in eastern Middlesex County, New Jersey. The Middlesex System’s retail customers are located in an area of approximately 55 square miles in Woodbridge Township, the City of South 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. Retail customers include a mix of residential customers, large industrial concerns and commercial and industrial light facilities. These customers are located in generally well-developed areas of central New Jersey.

3. Middlesex provides water under wholesale contracts to the City of Rahway, Townships of Edison and Marlboro, the Borough of Highland Park and the Old Bridge Municipal Utilities Authority. Middlesex treats, stores and distributes water for residential, commercial, industrial and fire protection purposes. Middlesex also provides water treatment and pumping services to the Township of East Brunswick under contract. The contract customers of the Middlesex System comprise an area of approximately 110 square miles with a population of over 200,000. Contract sales to Edison, Old Bridge, Marlboro and Rahway are supplemental to the existing water systems of these customers.

4. Middlesex provides water service to approximately 300 customers in Cumberland County, New Jersey. This system is referred to as Bayview, and is not physically interconnected with the Middlesex System. The Company owns and operates water treatment, supply, transmission and distribution systems for these purposes. The Company also owns subsidiaries that provide utility and utility-related services in Southampton Township in Burlington County, and portions of Delaware and Pennsylvania.

5. The purpose of this Petition is to satisfy the foundational filing requirement specified in the DSIC regulations at N.J.A.C. 14:9-10.4. As required by N.J.A.C. 14:9-10.4(c), the Company concluded a base rate proceeding and implemented base rates pursuant to an Order of the Board dated December 15, 2021 in BPU Docket No. WR21050813.

6. Pursuant to N.J.A.C. 14:9-10.4(b)(1), attached as Exhibit A is an engineering evaluation report which identifies the rationale for the DSIC-eligible work to be performed; demonstrates that the proposed plan is cost-effective; identifies elements of the distribution

system that require investment including assets which are susceptible to failure; and identifies efforts to extend the life of the distribution system assets. Pursuant to N.J.A.C. 14:9-10(b)(2), also included within Exhibit A is DSIC project information which includes the following elements:

- a. a list of DSIC-eligible projects;
- b. project descriptions (with unique project identification numbers) including the nature, location, estimated duration of work (including estimated in-service dates, as well as the vintage and condition of the facilities being replaced or rehabilitated), estimated project costs, and a description and reason for the project; and
- c. aggregate information capturing blanket-type, DSIC-eligible infrastructure projects and the estimated annual cost for such blanket-type replacement programs.

7. Pursuant to N.J.A.C. 14:9-10.4(b)(3), attached as Exhibit B is a calculation of Middlesex's base infrastructure spending. As shown on Exhibit B, Middlesex has calculated that its base spending requirement is approximately \$6,160,600. Please note that Middlesex utilized the authorized depreciation rates and depreciation expense balances for utility plant accounts 343, 345 and 348 as reported in its 2022 BPU Annual Report.

8. Pursuant to N.J.A.C. 14:9-10.4(b)(3), attached as Exhibit C is a proposed DSIC rate assessment schedule showing the maximum dollar amount of the proposed DSIC rate assessment by customer class and meter size (or service connection) over the entire DSIC period, as well as the estimated maximum rate impact on customers for the entire DSIC period. As noted on Exhibit C, the maximum amount of annual DSIC revenues Middlesex may be authorized to recover through the DSIC is capped at 5% of Middlesex's

total revenues established in its most recently concluded base rate proceeding, which is approximately \$5,055,502.

9. Pursuant to N.J.A.C. 14:9-10.4(b)(4), attached as Exhibit D is a proposed form a public notice. Middlesex intends to consult with Board Staff and the Division of Rate Counsel to finalize a form of public notice acceptable to all parties.

10. Included in this list of DSIC-eligible projects are certain projects that are currently underway, or that may commence during the pendency of this filing. Middlesex fully intends that any spending associated with these DSIC-eligible projects will be used to either meet Middlesex's base spending requirement or will be recoverable in Middlesex's DSIC mechanism consistent with the Board's DSIC regulations.

11. Annexed hereto and made a part hereof as if fully set forth herein are the following exhibits:

Exhibit A – Engineering Evaluation Report and DSIC Project Information

Exhibit B – DSIC Base Spending Schedule

Exhibit C – DSIC Rate Assessment Schedule

Exhibit D – Proposed Form of Public Notice

12. The Company will supplement this Petition as needed, and may be required by the Board for the processing of this application. Petitioner believes that it has provided all of the information required by N.J.A.C. 14:9-10.4, and that its filing is complete at this time. Therefore, consistent with the provisions of N.J.A.C. 14:9-10.4(c), Middlesex anticipates that the Board will act on its request on or before September 27, 2023. Further, Middlesex respectfully requests that the Board retain this matter for hearing and that the Board also permit the required public comment hearing to be conducted virtually to facilitate public input.

13. In addition to the Secretary of the Board, copies of this filing and all annexed exhibits are being served upon the Division of Rate Counsel and the Office of the Attorney General. Notice of the filing, a statement of its effect and the scheduling of a public comment hearing will be furnished to Petitioner's customers by a public notice placed in newspapers published and circulated in Petitioner's service areas pursuant to the rules of the Board after the parties have concurred on its substance. Copies of an approved form of Notice and the proposed DSIC rates will be served upon the representative municipalities, County executives, and Clerks of the Boards of County Commissioners pursuant to the Board's regulations. Proof of service of the notices referred to herein will be filed with the Board in accordance with the Board's regulations.

14. Correspondence in this matter should be addressed to the following:

Jay L. Kooper  
Vice President, General Counsel & Secretary  
Middlesex Water Company  
485C Route One South, Suite 400  
Iselin, New Jersey 08830  
[jkooper@middlesexwater.com](mailto:jkooper@middlesexwater.com)

A. Bruce O'Connor  
Senior Vice President, Treasurer & Chief Financial Officer  
Middlesex Water Company  
485C Route One South, Suite 400  
Iselin, New Jersey 08830  
[aboconnor@middlesexwater.com](mailto:aboconnor@middlesexwater.com)



WHEREFORE, Petitioner, Middlesex Water Company, respectfully requests that the Board approve this Foundational Filing and authorize the projects and investments described herein to be eligible for inclusion in the DSIC pursuant to N.J.A.C. 14:9-10.1 et seq., and that such other relief as described herein be granted by the Board.

Respectfully Submitted,

MIDDLESEX WATER COMPANY

By:  \_\_\_\_\_  
Jay L. Kooper  
Vice President, General Counsel & Secretary

Dated: May 15, 2023  
Iselin, New Jersey