



October 17, 2023

Via Electronic Mail

Honorable Sherri Golden
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 the Petition of Middlesex Water Company for Approval of a Foundational Filing For Establishing a Distribution System Improvement Charge BPU Docket No. WR23050288
Stipulation of Settlement

Dear Secretary Golden:

Enclosed for the Board's consideration in the above-referenced matter is a Stipulation of Settlement executed by Petitioner Middlesex Water Company ("Middlesex"), Staff of the New Jersey Board of Public Utilities ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel"), and the exhibits supporting the Stipulation.

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

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 (attached) (via electronic mail)

Middlesex Water Company
Petition For Approval of a Foundational Filing
For Establishing A Distribution System Improvement Charge
BPU Docket No. WR23050288
~ Service List A ~

MIDDLESEX WATER COMPANY

<p>Dennis W. Doll Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 ddoll@middlesexwater.com (electronic only)</p>	<p>A. Bruce O'Connor Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 aboconnor@middlesexwater.com (electronic only)</p>	<p>Robert K. Fullagar Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 rfullagar@middlesexwater.com (electronic only)</p>
<p>Jay L. Kooper, Esq. Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 jkooper@middlesexwater.com (electronic only)</p>	<p>Yvonne Nieto Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 ynieto@middlesexwater.com (electronic only)</p>	<p>Robert J. Capko Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 rcapko@middlesexwater.com (electronic only)</p>
<p>Tracy Tyrell Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 tyrell@middlesexwater.com (electronic only)</p>	<p>Michele L. Tilley Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 mtilley@middlesexwater.com (electronic only)</p>	<p>Stephen B. Genzer, Esq. Saul Ewing LLP One Riverfront Plaza Suite 1520 Newark, NJ 07102-5426 stephen.genzer@saul.com</p>
<p>Shane Simon, Esq. Saul Ewing LLP Centre Square West 1500 Market Street, 38th Floor Philadelphia, PA 19102-2186 shane.simon@saul.com</p>	<p>Jane H. Gisbey Saul Ewing LLP jgisbey@saul.com (Electronic Correspondence)</p>	<p>Brian F. Carr Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 bcarr@middlesexwater.com</p>
<p>G. Christian Andreasen Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 candreasen@middlesexwater.com</p>	<p>Maria Lynn Middlesex Water Company 485C Route 1 South Suite 400 Iselin, NJ 08830 mlynn@middlesexwater.com (electronic only)</p>	

Middlesex Water Company
Petition For Approval of a Foundational Filing
For Establishing A Distribution System Improvement Charge
BPU Docket No. WR23050288
~ Service List A ~

BOARD OF PUBLIC UTILITIES/DEPARTMENT OF LAW

<p>Sherri Golden, Secretary Board of Public Utilities 44 South Clinton Ave., 9th Floor Trenton, NJ 08625 Sherri.Golden@bpu.nj.gov</p>	<p>Michael Kammer, Director Board of Public Utilities Division of Water & Wastewater 44 South Clinton Ave. PO Box 350 Trenton, NJ 08625 Mike.Kammer@bpu.nj.gov</p>	<p>Kofi Ocansey Board of Public Utilities Division of Water 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 Kofi.Ocansey@bpu.nj.gov</p>
<p>Dr. Benjamin Witherell Board of Public Utilities Office of the Economist 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 Benjamin.Witherell@bpu.nj.gov</p>	<p>Malike Cummings Board of Public Utilities Division of Water & Wastewater 44 South Clinton Ave. PO Box 350 Trenton, NJ 08625 Malike.Cummings@bpu.nj.gov</p>	<p>Andrew Tuzzo Board of Public Utilities 44 South Clinton Avenue PO Box 350 Trenton, NJ 08625-0350 Andrew.Tuzzo@bpu.nj.gov</p>
<p>Magdy Mekhaeil Board of Public Utilities 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 Magdy.Mekhaeil@bpu.nj.gov</p>	<p>Julie Ford-Williams Board of Public Utilities Division of Customer Assistance 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350 Julie.Ford@bpu.nj.gov</p>	<p>Yanina Lepore Board of Public Utilities Division of Water 44 South Clinton Avenue PO Box 350 Trenton, NJ 08625-0350 Yanina.Lepore@bpu.nj.gov</p>
<p>Meliha Arnautovic, DAG Division of Law Public Utilities Section R.J. Hughes Justice Complex 25 Market Street P.O. Box 112 Trenton, NJ 08625 Meliha.Arnautovic@law.njoag.gov</p>	<p>Pamela Owen Division of Law Public Utilities Section R.J. Hughes Justice Complex 25 Market Street Trenton, NJ 08625 Pamela.Owen@law.njoag.gov</p>	<p>Son Lin Lai, Ph.D, CFA Board of Public Utilities 44 South Clinton Avenue, 3rd Floor Suite 314 P.O. Box 350 Trenton, NJ 08625 Son-lin.lai@bpu.nj.gov</p>
<p>Jackie O'Grady Board of Public Utilities Division of Water 44 South Clinton Avenue PO Box 350 Trenton, NJ 08625-0350 Jackie.OGrady@bpu.nj.gov</p>	<p>Brandon Simmons, DAG Division of Law Public Utilities Section R.J. Hughes Justice Complex 25 Market Street P.O. Box 112 Trenton, NJ 08625 Brandon.Simmons@law.njoag.gov</p>	<p>William Barasky Board of Public Utilities Division of Water 44 South Clinton Avenue PO Box 350 Trenton, NJ 08625-0350 William.Barkasy@bpu.nj.gov</p>
<p>Karriemah Graham Director of Case Management Board of Public Utilities 44 South Clinton Avenue PO Box 350 Trenton, NJ 08625-0350 Karriemah.graham@bpu.nj.gov</p>		

Middlesex Water Company
Petition For Approval of a Foundational Filing
For Establishing A Distribution System Improvement Charge
BPU Docket No. WR23050288
~ Service List A ~

<p>Michael Hunter Board of Public Utilities 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 Michael.hunter@bpu.nj.gov</p>		
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DIVISION OF RATE COUNSEL

<p>Brian Lipman, Esq. Acting Director Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 blipman@rpa.nj.gov</p>	<p>Susan McClure, Esq. Managing Attorney Water & Wastewater Division of Rate Counsel 140 East Front Street - 4th Floor Trenton, NJ 08625 smcclure@rpa.nj.gov</p>	<p>Christine Juarez, Esq. Assistant Deputy Rate Counsel Division of Rate Counsel 140 East Front Street – 4th Floor Trenton, NJ 08625 cjuarez@rpa.nj.gov</p>
<p>Marilyn Silva Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 msilva@rpa.nj.gov</p> <p><i>* Electronic Mail Only</i></p>	<p>Emily Smithman, Esq. Assistant Deputy Rate Counsel Division of Rate Counsel 140 East Front Street – 4th Floor Trenton, NJ 08625 esmithman@rpa.nj.gov</p>	<p>Felecia Jackson-Rodgers, Legal Secretary Division of Rate Counsel 140 East Front Street – 4th Floor Trenton, NJ 08625 frodgers@rpa.nj.gov</p>

CONSULTANTS (RATE COUNSEL)

<p>Howard J. Woods, Jr., P.E. Howard J. Woods, Jr. & Associates 49 Overhill Road East Brunswick, NJ 08816 howard@howardwoods.com</p>		
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

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. WR23050288 <u>STIPULATION OF SETTLEMENT</u>
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APPEARANCES:

Jay L. Kooper, Esq., Vice President, General Counsel & Secretary on behalf of Middlesex Water Company, Petitioner

Meliha Arnautovic, Deputy Attorney General (Matthew J. Platkin, Attorney General of the State of New Jersey), on behalf of the Staff of the Board of Public Utilities

Susan McClure, Esq., Managing Attorney, Water and Wastewater, Christine Juarez, Esq., Assistant Deputy Rate Counsel, and Emily Smithman, Esq., Assistant Deputy Rate Counsel on behalf of the Division of Rate Counsel (Brian O. Lipman, Director)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The parties to this proceeding, Middlesex Water Company (“Company” or “Petitioner”), a New Jersey public utility subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”) and with its principal offices located at 485C Route One South, Suite 400, Iselin, New Jersey 08830; the Division of Rate Counsel (“Rate Counsel”); and Board Staff (“Staff”) (collectively, “Parties”), by this Stipulation of Settlement (“Stipulation”) resolve all issues in this matter.

BACKGROUND

On May 15, 2023, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-10.1 et seq., the Petitioner filed a petition (“Petition”) with the Board containing its distribution system

improvement charge (“DSIC”) foundational filing (“Foundational Filing”) and seeking authority to implement the Company’s DSIC. By the Petition, pursuant to N.J.A.C. 14:9-10.4(b), the Company requested Board approval of its DSIC, which is currently set at zero (0), to recover costs associated with DSIC-eligible projects through an approved DSIC rate.¹

By the Petition, the Company noted that it is a duly organized and existing public utility of the State of New Jersey serving approximately 61,000 retail water customers primarily located in Middlesex County, New Jersey.

The Company noted that it calculated its base infrastructure spending requirement to be approximately \$6,160,600 and proposed its DSIC rate assessment schedule. The Company’s allowable DSIC rate is capped at 5% of its total revenues established in its most recent rate base proceeding, or approximately \$5,055,502, pursuant to N.J.A.C. 14:9-10.9(a).

Following issuance of notice in newspapers of general circulation within the Company’s service territory and after service of notice upon affected municipalities and counties within the Petitioner’s service territory, the Board held two virtual public hearings, presided over by a Board-appointed legal specialist, at 4:30 pm and 5:30 pm on September 7, 2023. No members of the public participated in either hearing and no written comments were received. Copies of the public notices setting out the proposed rate impact of the DSIC are attached hereto as Exhibit A.

STIPULATION

Upon review of the Petition and following settlement discussions, the Parties HEREBY STIPULATE AND AGREE AS FOLLOWS:

¹ See: *Rate schedule No. 9; Distribution System Improvement Charge* in the Company’s current tariff; <https://www.middlesexwater.com/wp-content/uploads/2023/08/MWC-Tariff-Rates-Effective-August-23-2023-PWAC.pdf>

1. The Company concluded its most recent base rate proceeding and implemented new base rates pursuant to Board Order dated December 15, 2021.² As a part of its most recent base rate case, the Company requested to reinstate its DSIC foundational filing. The Company withdrew its request to reinstate its DSIC during the pendency of the rate case. N.J.A.C. 14:9-10.4(c) precludes approval of a DSIC foundational filing where the utility has not had its base rates set by the Board within the past three years. Because the Company's last base rate case concluded on December 15, 2021, the Parties agree that the Company met the requirements of N.J.A.C. 14:9-10.4(c).

2. The Parties agree that the Company adequately submitted its engineering evaluation report pursuant to N.J.A.C. 14:9-10.4(b)(1) and its DSIC project information for the upcoming DSIC period pursuant to N.J.A.C. 14:9-10.4(b)(2). The Parties further agree that the Company's expected base spending amount, including underlying detail regarding appropriate infrastructure types, a proposed DSIC assessment, and work papers, demonstrated detailed calculations supporting the proposed assessment schedule pursuant to N.J.A.C. 14:9-10.4(b)(3). Further, the Parties agree that the Company gave appropriate public notice and properly held public hearings pursuant to N.J.A.C. 14:9-10.4(b)(4). The Parties agree that N.J.A.C. 14:9-10.4(b)(5) and (6) are inapplicable at this time. The Parties therefore find the Petition to be administratively complete and further agree that the Company satisfied the requirements for its Foundational Filing as enumerated in N.J.A.C. 14:9-10.4(b).

3. The Parties agree the projects contained in Exhibit B attached hereto have been sufficiently reviewed and are DSIC-eligible projects as defined at N.J.A.C. 14:9-10.2, except

² In re Middlesex Water Company for Approval of an increase in its Rates for Water Service and other Tariff Changes, BPU Docket No. WR21050813, Order dated December 15, 2021.

projects classified in Exhibit B as “Base Only” projects. “Base Only” projects may be used to satisfy the Company’s Base Spending obligation but are not DSIC-rate eligible. Furthermore, the Parties agree that no project contained in Exhibit B commenced during the Company’s prior base rate case that was approved by a final order issued by the Board on December 15, 2021, denoting that only DSIC-eligible projects placed into service after the effective date of the Foundational Filing will be eligible for recovery under the Foundational Filing.

4. The Parties agree that the Company should be authorized to recover, through its DSIC, the actual costs associated with the DSIC-eligible projects, as defined in N.J.A.C. 14:9-10.2, contained in Exhibit B attached hereto.

5. The Parties agree that actual DSIC charges will be levied on General Metered Service customers billed in accordance with Rate Schedule No. 1 and Private Fire Service customers billed in accordance with Rate Schedule No. 2 and that the rates will be calculated in a manner consistent with N.J.A.C. 14:9-10.8(a)(3).

6. The Parties agree that the Company’s base spending requirement is approximately \$6,160,561. The Parties further agree that the maximum amount of annual DSIC revenues the Petitioner may collect is \$5,505,522, as calculated in Exhibit C attached hereto. The Parties further agree that the maximum DSIC surcharge cannot exceed the rates set forth in the Petition, for which notice was published and annexed hereto as Exhibit A.

7. This Stipulation is the product of negotiations by the Parties, reflecting a mutual balancing of interests and containing interdependent provisions, therefore 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 as each term is vital to its whole. It is also the intent of the

Parties that this settlement, once accepted and approved by the Board, shall be a binding resolution governing all issues in this matter, specified and agreed to herein.

8. The Parties 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 Parties have stipulated herein. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, any party hereto materially affected shall not be bound to proceed under this Stipulation. None of the 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 no other matter.

9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement that has been made exclusively for the purpose of these proceedings. All rates are subject to audit by the Board.

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

MIDDLESEX WATER COMPANY

October 12, 2023
Date

By: Jay Kooper
Jay L. Kooper, Esq.
Vice President, General Counsel & Secretary
Attorney for Petitioner

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date:

By: _____
Meliha Arnautovic
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.
DIRECTOR - RATE COUNSEL

Date:

By: _____
Susan McClure, Esq.
Managing Attorney, Water and Wastewater

MIDDLESEX WATER COMPANY

October 12, 2023
Date

By: Jay Kooper
Jay L. Kooper, Esq.
Vice President, General Counsel & Secretary
Attorney for Petitioner

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date:

By: Meliha Arnautovic, DAG
Meliha Arnautovic
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.
DIRECTOR - RATE COUNSEL

Date:

By: _____
Susan McClure, Esq.
Managing Attorney, Water and Wastewater

MIDDLESEX WATER COMPANY

October 12, 2023
Date

By: Jay Kooper
Jay L. Kooper, Esq.
Vice President, General Counsel & Secretary
Attorney for Petitioner

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date:

By: Meliha Arnautovic, DAG
Meliha Arnautovic
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.
DIRECTOR - RATE COUNSEL

October 17, 2023
Date:

By: Susan McClure
Susan McClure, Esq.
Managing Attorney, Water and Wastewater

NOTICE OF PUBLIC HEARING
MIDDLESEX WATER COMPANY

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. WR23050288

PLEASE TAKE NOTICE that on May 15, 2023, Middlesex Water Company (“Company”) filed a petition (“Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) pursuant to N.J.A.C. 14:9-10.1 et seq., seeking approval of a Foundational Filing to implement a Distribution System Improvement Charge (“DSIC”). A DSIC is a rate recovery mechanism to encourage and support accelerated rehabilitation and replacement of certain non-revenue-producing critical water distribution components. Such projects include main replacement and renewal and the renewal of valves, hydrants, and service connections. Its purpose is to enhance safety, reliability, water quality, systems flows and pressure, and/or conservation. A DSIC rate is interim, subject to refund, until the subsequent base rate case.

The Petition consists of a Foundational Filing that lists the projects the Company believes are eligible for recovery through the DISC surcharge for the period 2023 through 2026. Please note that the Company proposes to collect a maximum DSIC revenue requirement of no more than 5.0% of the utility’s total water revenues established in the Company’s most recent base rate case. The Company will implement the DSIC surcharge if, and when, it achieves specific levels of infrastructure investment and places the facilities into service as required by N.J.A.C. 14:9-10.1 et seq.

The Company proposed that the DSIC surcharge be assessed as to the following services and classes of customers based on meter size or service connection: General Metered Service and Private Fire Protection Service. Pursuant to BPU regulations, public fire service charges are not affected by this surcharge. It is important to note that any surcharges on customer bills implemented due to the DSIC will be revised on a semi-annual basis. The maximum surcharges, shown in Table 1 below, are not intended or expected to be reached until the conclusion of both the Foundational Filing proceeding and subsequent semi-annual DSIC filings. The Company expects the rates to be assessed incrementally over a three-year period commensurate with the Company’s actual DSIC program capital spending.

The maximum proposed DSIC rates allowable for recovery pursuant to N.J.A.C. 14:9-10.1 et seq. are set forth in Table 1 below.

A copy of the Petition is available for public inspection on the Company’s website at <http://www.middlesexwater.com/customer-care/regulatory>. The Petition is also available to review online through the Board’s website, <https://publicaccess.bpu.state.nj.us/> where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board, located at 44 South Clinton Avenue, 1st Floor, Trenton, New Jersey, with an appointment. To make an appointment, please call (609) 913-6298.

PLEASE TAKE FURTHER NOTICE that, due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Petition:

Date: September 7, 2023

Hearing Times: 4:30 p.m. and 5:30 p.m.

Join Zoom Meeting

<https://middlesexwater.zoom.us/j/81226649993?pwd=L3EyY3h6R3h6aGlrZ2NNVmlvM09OUT09>

Meeting ID: 812 2664 9993

Passcode: 596183

One tap mobile

+19292056099,,81226649993#,,,,*596183# US (New York)

+16469313860,,81226649993#,,,,*596183# US

Dial by your location

- +1 929 205 6099 US (New York)
- +1 646 931 3860 US
- +1 312 626 6799 US (Chicago)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 564 217 2000 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 689 278 1000 US
- +1 719 359 4580 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US

Meeting ID: 812 2664 9993

Passcode: 596183

Find your local number: <https://middlesexwater.zoom.us/u/kILkzaA3z>

Join by SIP

• 81226649993@zoomcrc.com

Join by H.323

• 162.255.37.11 (US West)
• 162.255.36.11 (US East)
• 115.114.131.7 (India Mumbai)
• 115.114.115.7 (India Hyderabad)
• 213.19.144.110 (Amsterdam Netherlands) • 213.244.140.110 (Germany) • 103.122.166.55 (Australia Sydney) •
103.122.167.55 (Australia Melbourne) • 149.137.40.110 (Singapore) • 64.211.144.160 (Brazil) • 149.137.68.253
(Mexico) • 69.174.57.160 (Canada Toronto) • 65.39.152.160 (Canada Vancouver) • 207.226.132.110 (Japan
Tokyo) • 149.137.24.110 (Japan Osaka)

Meeting ID: 812 2664 9993

Passcode: 596183

Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the Meeting ID or the Dial-In Number set forth above and may express their views on this Petition. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's Public Document Search tool. Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage, <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Secretary of the Board

44 South Clinton Ave., 1st Floor

PO Box 350

Trenton, NJ 08625-0350

Phone: 609-913-6241

Email: board.secretary@bpu.nj.gov

Table 1:

<u>PROPOSED DSIC SURCHARGE RATES¹</u>		
<u>General Metered Service</u>		
<u>Maximum Proposed DSIC Surcharge:</u>		
<u>Meter Size</u>	<u>Proposed Monthly Rate</u>	<u>Proposed Quarterly Rate</u>
5/8"	\$3.23	\$9.69
3/4"	\$ 4.85	\$ 14.55
1"	\$ 8.08	\$ 24.24
1-1/2"	\$ 16.16	\$ 48.48
2"	\$ 25.86	\$ 77.58
3"	\$ 48.48	\$ 145.44
4"	\$ 80.80	\$ 242.40
6"	\$ 161.61	\$ 484.83
8"	\$ 258.57	\$ 775.71
10"	\$ 371.70	\$1,115.10
12"	\$ 694.91	\$2,084.73

MIDDLESEX WATER COMPANY
485C Route One South, Suite 400
Iselin, New Jersey 08830

¹ The maximum surcharge is 5%, implemented in semi-annual increments as approved projects are placed into service, likely over a 12 – 36 month period.

Middlesex Water Company
 2023 DSIC Foundational Filing
 BPU Docket No. WR23050288

2023-2026 DSIC Summary

DSIC Submissions

Year 1	Oct 2023 - Sept 2024	
	Base Projects	\$ 6,703,424.00
	Base or DSIC Projects	\$ 23,057,684.00
	Total	\$ 29,761,108.00

Year 2	Oct 2024 - Sept 2025	
	Base Projects	\$ 6,309,955.00
	Base or DSIC Projects	\$ 15,784,211.50
	Total	\$ 22,094,166.50

Year 3	Oct 2025 - Sept 2026	
	Base Projects	\$ 6,469,206.05
	Base or DSIC Projects	\$ 14,589,814.00
	Total	\$ 21,059,020.05

Total DSIC Spending \$ 72,914,294.55

Middlesex Water Company
2023 DSIC Foundational Filing
BPU Docket No. WR23050288

October 2023- September 2024 Submission

October 2023- March 2024						
Project ID #	Project Name / Location	Reason for Project	Project Description	Estimated Duration	Projected In Service Date	Estimated Project Cost
01P-2019-312	Rahway Ave - Kings Ct to Meinzer St Main Replacement	Main Repl (Internal)	Approximately 1,150 ft of the 6"/8" main is recommended to be replaced with 8" DI pipe and associated hydrants and services.	90	12/31/2023	\$ 1,461,552.00
01P-2023-301	RENEW 2023	Main Repl (Internal)	Replacement of approximately 24,000 LF of cast iron 6" water main in the Port Reading/Carteret region. (Not Captured in P-2)	180	12/31/2023	\$ 3,000,000.00
01P-2023-304	Dale Drive Edison Main Replacement	Main Repl (Internal)	Replacement of 2,700 lf of 6" (1965) on Dale Drive in Edison. Main criticality is generally 4/6 with segmens of 3. Preliminary Evaluation is necessary to verify if the multitude of main breaks are indicative of need for replacement	90	11/30/2023	\$ 1,500,000.00
01P-2019-305	Route1 - Avenel Street to South Inman Ave	Main Repl (Internal)	Replacement of approximately 2,920 feet of 6" main installed between 1937 - 1979 with 8" DIP. The project also may include 9 services (replacement/Changeover) and 2 hydrant replacements.	90	11/30/2023	\$ 818,000.00
01P-2020-318	North Lafayette Main Replacement Project	Main Repl (Internal)	Replacement of approximately 4,000 feet of 6", 8" and 12" main that traverses from the terminus of North Lafayette Road to Route 1. The existing water mains were installed between 1900 to 1942.	120	12/31/2023	\$ 2,145,000.00
01P-2020-316	Campbell St - Dunham Place 6-inch Main Replacement	Main Repl (Internal)	Approximately 1,740 ft of the 6" CI main is recommended to be replaced with associated hydrants and services.	60	12/31/2023	\$ 1,905,000.00
01P-2021-520	Lead & Copper Rule Compliance	Service Line Repl Int	Replacement of Company and Customer side lead & galvanized service lines. Identification of all "unknown" material types on Company & Customer side water services. Only Company side costs included in DSIC.	365	3/1/2024	\$ 860,500.00
01P-2022-304	Red Root Creek Main Replacement	Main Repl (Internal)	Replacement of 300 lf of 12" main at the Red Root Creek Crossing at Cattail Way	30	3/1/2024	\$ 1,200,000.00
01P-2023-305	Woodbridge Drainage Relocations	Main Repl (Internal)	Relocation of main in three locations to make way for gravity storm pipe improvements	30	3/1/2024	\$ 20,000.00
01B-2023-911	T&D Mains Replacement Blanket	Blanket	Installation & Replacement of miscellaneous T&D mains during the year		Oct 2023 - Mar 24	\$ 1,816,024.00
01B-2023-913	Service Line Replacement Blanket	Blanket	Service line replacement & installation during the year		Oct 2023 - Mar 24	\$ 332,325.00
01B-2023-915	Hydrants Replacement Blanket	Blanket	Hydrant replacement & installation during the year		Oct 2023 - Mar 24	\$ 633,547.00
1st Submission Oct 2023-Mar 2024						
Base Spending						\$ 4,816,024.00
Base or Project						\$ 10,875,924.00
Submission 1 Total						\$ 15,691,948.00

April 2024- September 2024						
Project ID #	Project Name / Location	Reason for Project	Project Description	Estimated Duration	Projected In Service Date	Estimated Project Cost
01P-2023-301	RENEW 2023	Main Repl (Internal)	Replacement of approximately 24,000 LF of cast iron 6" water main in the Port Reading/Carteret region. (Not Captured in P-2)	180	6/1/2024	\$ 750,000.00
01P-2021-509	Spring Lake Distribution Improvements	Main Repl (Internal)	This project is to reconfigure the distribution piping in the vicinity of Spring Lake in South Plainfield.	120	12/31/2023	\$ 850,000.00
01P-2020-310	Route 9 - Green Street Phase 2 Main Replacement	Main Repl (Internal)	There was a water main break on the 12-inch pipe that crosses Route 9 in Woodbridge. This project is for the replacement of approximately 1,495 lf of 12-inch main and approximately 335 lf of 8-inch main. Project will include trenchless crossing of US Route 9.	60	6/30/2024	\$ 2,000,000.00
01P-2024-301	RENEW 2024	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	9/1/2024	\$ 7,000,000.00
01P-2021-520	Lead & Copper Rule Compliance	Service Line Repl Int	Replacement of Company and Customer side lead & galvanized service lines. Identification of all "unknown" material types on Company & Customer side water services. Only Company side costs included in DSIC.	365	9/1/2024	\$ 860,500.00
01P-2019-307	St. Georges Ave Water Main Replacement	Main Repl (Internal)	2000 lf of 8" Main Replacement on Rt 35 in Woodbridge. Includes 3 hydrants and 10 services.	45	6/30/2024	\$ 650,000.00
01B-2024-911	T&D Mains Replacement Blanket	Blanket	Installation & Replacement of miscellaneous T&D mains during the year		Apr 2024 - Sep 24	\$ 1,137,400.00
01B-2024-913	Service Line Replacement Blanket	Blanket	Service line replacement & installation during the year		Apr 2024 - Sep 24	\$ 243,100.00
01B-2024-915	Hydrants Replacement Blanket	Blanket	Hydrant replacement & installation during the year		Apr 2024 - Sep 24	\$ 578,160.00
2nd Submission Apr 2024-Sep 2024						
Base Spending						\$ 1,887,400.00
Base or Project						\$ 12,181,760.00
Submission 2 Total						\$ 14,069,160.00
YEAR 1 SPENDING						
Base Spending						\$ 6,703,424.00
Base or Project						\$ 23,057,684.00
Year 1 Total						\$ 29,761,108.00

Middlesex Water Company
2023 DSIC Foundational Filing
BPU Docket No. WR23050288

October 2024 - September 2025 Submission

October 2024 - March 2025						
Project ID #	Project Name / Location	Reason for Project	Project Description	Estimated Duration	Projected In Service Date	Estimated Project Cost
01P-2024-301	RENEW 2024	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	9/1/2024	\$ 3,000,000.00
01P-2019-310	Queen Road @ Route 9 Main Replacements	Main Repl (Internal)	Project is for the replacement of approximately 2,660 feet of 6-inch, 8-inch and 12-inch water main on Queen Road and US Route 9 in Avenel. Full replacement of water main and associated hydrants and services is recommended.	90	6/1/2025	\$ 1,145,000.00
01P-2025-301	RENEW 2025	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	8/30/2025	\$ 500,000.00
01P-2020-315	Oaktree Road/Green Street Main Replacement	Main Repl (Internal)	Approximately 1,400 ft of the existing 8" and 16" main is recommended to be replaced with associated hydrants and services.	30	6/1/2025	\$ 1,025,500.00
01P-2021-520	Lead & Copper Rule Compliance	Service Line Repl Inte	Replacmenet of Company and Customer side lead & galvanized service lines. Identification of all "unknown" material types on Company & Customer side water services. Only Company side costs included in DSIC.	365	2/28/2025	\$ 959,625.50
01P-2020-330	Rt 27 16" Valve Replacement	Main Repl (Internal)	Replacement of the 16" valve at the 48" Transmission Main on Rt 27	30	10/15/2024	\$ 300,000.00
01B-2025-911	T&D Mains Replacement Blanket	Blanket	Installation & Replacement of miscellaneous T&D mains during the year		Oct 2024 - Sep 25	\$ 1,791,405.00
01B-2025-913	Service Line Replacement Blanket	Blanket	Service line replacement & installation during the year		Oct 2024 - Sep 25	\$ 382,882.50
01B-2025-915	Hydrants Replacement Blanket	Blanket	Hydrant replacement & installation during the year		Oct 2024 - Sep 25	\$ 910,602.00
1st Submission Oct 2024-Mar 2025						
Base Only						\$ 4,791,405.00
DSIC or Base Projects						\$ 5,223,610.00
Submission 1 Total						\$ 10,015,015.00

April 2025 - September 2025						
Project ID #	Project Name / Location	Reason for Project	Project Description	Estimated Duration	Projected In Service Date	Estimated Project Cost
01P-2019-309	Green Street @ Route 1 Main Replacements	Main Repl (Internal)	Project is for the replacement of approximately 2,000 feet of 6-inch, 8-inch and 12-inch water main on Green Street and US Route 1 in Avenel. Full replacement of water main and associated hydrants and services is recommended.	90	8/1/2025	\$ 1,160,000.00
01P-2024-301	RENEW 2024	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	9/1/2024	\$ 1,000,000.00
01P-2025-301	RENEW 2025	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	8/30/2025	\$ 7,500,000.00
01P-2019-315	Main Street- N. William to Rahway	Main Repl (Internal)	The Main Street- N. William to Rahway project consists of approximately 2,900 LF of 6", 8", and 12" main with an overall risk rating of 8.	90	8/30/2025	\$ 1,465,000.00
01P-2021-520	Lead & Copper Rule Compliance	Service Line Repl Inte	Replacmenet of Company and Customer side lead & galvanized service lines. Identification of all "unknown" material types on Company & Customer side water services. Only Company side costs Included in DSIC.	365	8/30/2025	\$ 959,625.50
01B-2025-911	T&D Mains Replacement Blanket	Blanket	Installation & Replacement of miscellaneous T&D mains during the year		Oct 2024 - Sep 25	\$ 1,251,140.00
01B-2025-913	Service Line Replacement Blanket	Blanket	Service line replacement & installation during the year		Oct 2024 - Sep 25	\$ 267,410.00
01B-2025-915	Hydrants Replacement Blanket	Blanket	Hydrant replacement & installation during the year		Oct 2024 - Sep 25	\$ 635,976.00
2nd Submission Apr 2025-Sep 2025						
Base Only						\$ 1,518,550.00
DSIC or Base Projects						\$ 10,560,601.50
Submission 2 Total						\$ 12,079,151.50

YEAR 2 SPENDING	
Base Spending	\$ 6,309,955.00
Base or Project	\$ 15,784,211.50
Year 2 Total	\$ 22,094,166.50

Middlesex Water Company
2023 DSIC Foundational Filing
BPU Docket No. WR23050288

October 2025 - September 2026 - Submission

October 2025 - March 2026						
Project ID #	Project Name / Location	Reason for Project	Project Description	Estimated Duration	Projected In Service Date	Estimated Project Cost
01P-2025-301	RENEW 2025	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	2/28/2026	\$ 2,000,000.00
01P-2019-306	Route 1 - Hudson Blvd to Lord Street	Main Repl (Internal)	Replacement of approximately 2,200 feet of 6" main installed between 1941 - 1979 with 8" DIP. The project also may include 25 services (replacement/Changeover) and 4 hydrant replacements.	60	12/31/2025	\$ 664,000.00
01P-2020-305	Rahway Ave - Main Street to Freeman Street	Main Repl (Internal)	Replacement of approximate 2,475 lf of 12" main on Rahway Ave (between Mian St and Freeman St) in Woodbridge along with three hydrants and 40 services.	90	12/31/2025	\$ 1,220,000.00
01P-2026-301	RENEW 2026	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	2/28/2026	\$ 500,000.00
01P-2021-520	Lead & Copper Rule Compliance	Service Line Repl Int	Replacement of Company and Customer side lead & galvanized service lines. Identification of all "unknown" material types on Company & Customer side water services. Only Company side costs included in DSIC.	365	2/28/2026	\$ 988,331.50
01B-2026-911	T&D Mains Replacement Blanket	Blanket	Installation & Replacement of miscellaneous T&D mains during the year		Oct 2025 - Sep 26	\$ 1,970,545.50
01B-2026-913	Service Line Replacement Blanket	Blanket	Service line replacement & installation during the year		Oct 2025 - Sep 26	\$ 421,170.75
01B-2026-915	Hydrants Replacement Blanket	Blanket	Hydrant replacement & installation during the year		Oct 2025 - Sep 26	\$ 1,001,662.20
1st Submission Oct 2025-Mar 2026						
						Base Only \$ 3,393,378.45
						DSIC or Base Projects \$ 5,372,331.50
						Year 3 Total \$ 8,765,709.95

April 2026 - September 2026						
Project ID #	Project Name / Location	Reason for Project	Project Description	Estimated Duration	Projected In Service Date	Estimated Project Cost
01P-2025-301	RENEW 2025	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	2/28/2026	\$ 1,000,000.00
01P-2026-301	RENEW 2026	Main Repl (Internal)	This water main rehabilitation program known as RENEW, is Middlesex Water Company's flagship program to address aging infrastructure. This program was established to replace old cast iron water mains or mains that have been identified as deficient by the asset management program.	180	8/1/2026	\$ 7,000,000.00
01P-2018-305	Freeman Street Area Main Replacement	Main Repl (Internal)	Replacement of roughly 1,950 feet of 24" main, 1,400 feet of 16" main, and 1,350 feet of 6" main. The 6" main will be replaced with 8" DIP.	30	8/1/2026	\$ 625,000.00
01P-2018-319	Route 27/Wood Avenue Main Replacement	Main Repl (Internal)	Replacement of roughly 520 feet of 20" main and 520 of 6" main. The 6" main will be replaced with 8" DIP.	30	8/1/2026	\$ 310,000.00
01P-2021-520	Lead & Copper Rule Compliance	Service Line Repl Int	Replacement of Company and Customer side lead & galvanized service lines. Identification of all "unknown" material types on Company & Customer side water services. Only Company side costs included in DSIC.	365	9/30/2026	\$ 988,331.50
01B-2026-911	T&D Mains Replacement Blanket	Blanket	Installation & Replacement of miscellaneous T&D mains during the year		Oct 2025 - Sep 26	\$ 1,376,254.00
01B-2026-913	Service Line Replacement Blanket	Blanket	Service line replacement & installation during the year		Oct 2025 - Sep 26	\$ 294,151.00
01B-2026-915	Hydrants Replacement Blanket	Blanket	Hydrant replacement & installation during the year		Oct 2025 - Sep 26	\$ 699,573.60
2nd Submission Apr 2026-Sep 2026						
						Base Only \$ 3,075,827.60
						DSIC or Base Projects \$ 9,217,482.50
						Year 3 Total \$ 12,293,310.10

YEAR 3 SPENDING	
Base Spending	\$ 6,469,206.05
Base or Project	\$ 14,589,814.00
Year 3 Total	\$ 21,059,020.05

Middlesex Water Company
 Distribution System Improvement Charge
 BPU Docket No. WR23050288

Maximum DSIC Charge by Meter Size Calculation

Total Annual Revenues Established in Last Base Rate Case \$ 110,110,446
 DSIC Cap Percentage 5.00%
 DSIC Revenue Requirement Recovery Amount Cap \$ 5,505,522

Meter Size	/-----GMS Customer Class-----\ Residential Commercial Industrial			Private Fire	Total GMS/PF Meters (1)	AWWA Ratio	Equivalent Meters	EM% To Total	Monthly DSIC Charge	Monthly DSIC Revenue	Quarterly DSIC Charge	Quarterly DSIC Revenue	Annual DSIC Revenue
5/8"	45,664	1,021	-	-	46,685	1.00	46,685	32.89%	\$ 3.23	\$ 150,793	\$ 9.69	\$ 452,378	\$ 1,809,511
3/4"	7,833	395	2	-	8,230	1.50	12,345	8.70%	\$ 4.85	\$ 39,916	\$ 14.55	\$ 119,747	\$ 478,986
1"	1,282	503	8	12	1,805	2.50	4,513	3.18%	\$ 8.08	\$ 14,584	\$ 24.24	\$ 43,753	\$ 175,013
1-1/2"	113	398	20	-	531	5.00	2,655	1.87%	\$ 16.16	\$ 8,581	\$ 48.48	\$ 25,743	\$ 102,972
2"	43	1,001	37	52	1,133	8.00	9,064	6.39%	\$ 25.86	\$ 29,299	\$ 77.58	\$ 87,898	\$ 351,593
3"	-	234	38	40	312	15.00	4,680	3.30%	\$ 48.48	\$ 15,126	\$ 145.44	\$ 45,377	\$ 181,509
4"	-	60	80	288	428	25.00	10,700	7.54%	\$ 80.80	\$ 34,582	\$ 242.40	\$ 103,747	\$ 414,989
6"	-	8	51	315	374	50.00	18,700	13.17%	\$ 161.61	\$ 60,442	\$ 484.83	\$ 181,326	\$ 725,306
8"	-	12	17	274	303	80.00	24,240	17.08%	\$ 258.57	\$ 78,347	\$ 775.71	\$ 235,040	\$ 940,161
10"	-	4	8	57	69	115.00	7,935	5.59%	\$ 371.70	\$ 25,647	\$ 1,115.10	\$ 76,942	\$ 307,768
12"	-	1	-	1	2	215.00	430	0.30%	\$ 694.91	\$ 1,390	\$ 2,084.73	\$ 4,169	\$ 16,678
Total (1)	54,935	3,637	261	1,039	59,872		141,947	100.00%		\$ 458,707		\$ 1,376,121	\$ 5,504,483

DISC Revenue Requirement (From Page 1) \$ 458,794 \$ 1,376,381 \$ 5,505,522
 Rounding Difference \$ (87) \$ (260) \$ (1,039)

(1) Meter counts are active meters as of 3/31/23.