



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

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.

-) ORDER ADOPTING INITIAL
-) DECISION SETTLEMENT
-)
-) BPU DOCKET NO. WR20110722
-) OAL DOCKET NO. PUC 10953-2020S

Parties of Record:

Jay L. Kooper, Esq., Vice President, General Counsel and Secretary, Middlesex Water Company, Petitioner
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On November 19, 2020, Middlesex Water Company (“Company,” “Middlesex,” or “Petitioner”), a public utility corporation of the State of New Jersey, filed a petition with the New Jersey Board of Public Utilities (“Board”) pursuant to N.J.A.C. 14:9-7.1 et seq., seeking Board approval of an increase of its Purchased Water Adjustment Clause (“PWAC”) to recover increased purchased water costs together with deferred costs and associated expenses. The Company originally requested an increase in annual revenue of \$489,922 over pro forma present rate revenues of \$82,493,782 which represents an overall increase of approximately 0.59%.

By this Order, the Board considers an Initial Decision recommending adoption of a stipulation of settlement (“Stipulation”) executed by the Company, the New Jersey Division of rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”), agreeing to an overall increase in purchased water cost in the amount of \$6,784,265 resulting in an increase in purchase water cost of \$174,554 as more fully set forth in Exhibit A attached to the Stipulation.

BACKGROUND/PROCEDURAL HISTORY

Middlesex services approximately 61,000 retail water customers in the Township of Edison and Woodbridge, the Borough of South Plainfield, Metuchen, and Carteret, and the City of South Amboy in Middlesex County; the Township of Clark in Union County; and the Township of Downe in Cumberland County (collectively, “General Water Service Customers” or “GWS Customers”). On a contract basis, the Company serves part of the Township of Edison, the Borough of Highland Park, the Old Bridge Municipal Utilities Authority, the Marlboro Township Municipal Utilities

Authority, and the City of Rahway (collectively, "Contract Customers"). The Company also services, under a special contract basis for water treatment and pumping services, the Township of East Brunswick ("East Brunswick"). GWS Customers receive finished water that is distributed through Middlesex's transmission facilities. The Contract Customers and East Brunswick receive service that differs from that provided by Middlesex to its GWS Customers. East Brunswick purchases water from the New Jersey Water Supply Authority ("NJWSA") and sends this unfinished water to Middlesex, which, in turn, treats the water and sends the finished water back to East Brunswick's facilities for distribution to East Brunswick's customers. The Contract Customers are provided with finished water that is treated by Middlesex and subsequently distributed by the Contract Customers.

Middlesex purchases water through two water purchase contracts: (1) for untreated water from the NJWSA; and (2) for treated water from New Jersey-American Water Company ("NJAW"). The Company was notified of a decrease in its purchased water rate from NJAW from \$0.4453 per thousand gallons ('tg') to \$0.4425 per tg effective April 1, 2020, pursuant to BPU Docket No. WR1911465. The Company was subsequently notified of an increase in the NJAW base rate from \$2.3921 per tg to \$2.553 per tg effective November 1, 2020 pursuant to BPU Docket No. WR19121516.

On November 23, 2020, this matter was transferred to the Office of Administrative Law ("OAL") and was assigned to Administrative Law Judge Jacob S. Gertsman ("ALJ Gertsman"). A pre-hearing conference was convened via telephone by ALJ Gertsman on January 12, 2021, and a Prehearing Order was issued on January 12, 2021.

After publication of notice in newspapers of general circulation in the Company's service territory, two public hearings were held virtually at 4:30 p.m. and 5:30 p.m. on February 25, 2021. No members of the public appeared at the public hearings or filed written comments with the Board with regard to the proposed PWAC filing.

STIPULATION¹

Subsequent to the public hearing, the Parties engaged in settlement negotiations. As a result of these discussions and extensive discovery, the Parties reached a settlement on all issues and entered into the Stipulation on March 10, 2021 and March 21, 2021. A copy of the Stipulation is attached to this Order, which provides as follows:

The purchased water costs, established pursuant to Petitioner's last PWAC rate Order, dated March 27, 2020, in BPU Docket No. WR1911463, amounted to \$6,609,722 as appears on Exhibit A attached to the Stipulation. The new base cost of purchased water as agreed by the Parties is \$6,784,265, resulting in an increase in purchased water cost of \$174,543, as set forth in Exhibit A of the Stipulation.

The Parties agree that the sum of the allowable expense in this case as set forth in Exhibit A to the Stipulation is \$456,260, which includes:

- a. Rate proceeding expense of \$500 representing a 50% share of total rate proceeding expenses of \$1,000.

¹ Although described in this Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

- b. Additional purchased water costs of \$91,092.
- c. NJAW base rate case intervention costs of \$74,950, which the Signatory Parties have determined after a review of the facts in this matter are just and reasonable expenses.
- d. True-up of 2019 PWAC (BPU Docket No. WR19111463) of (\$20,466).
- e. A revenue tax factor of 14.2234% and the resulting revenue tax of \$64,896.

The base consumption established in Petitioner's last base rate case in million gallons (mg) is agreed to be 12,351.0 mg. This amount is reduced by the amount attributable to East Brunswick² of 2,394.3 mg, resulting in a base consumption for recovery of the PWAC of 9,956.7 mg as more fully set forth in Exhibit A of the Stipulation.

For General Water Service Customers under Rate Schedule No. 1, Revised Tariff Sheet 33A, a charge of \$ 1.0280 per thousand cubic feet shall be made to recover the increased purchased water costs, reflected on Rate Schedule No. 1, Revised Tariff Sheet No. 33A (Stipulation).

For Contract Customers service, Rate Schedule No. 5, Revised Tariff Sheet No. 40A, PWAC charges agreed to result in a charge of \$52.67 per million gallons, reflected on Rate Schedule No. 5, attached to the Stipulation.

As a result of this settlement, a residential customer with a 5/8-inch meter, using 2,300 cubic feet or 17,204 gallons of water per quarter, would see their water bill increase from \$154.27 to \$155.24 per quarter, an increase of \$0.97 per quarter or 0.63%.

On March 15, 2021, ALJ Gertsman issued an Initial Decision in this matter, recommending adoption of the Stipulation executed by the Parties, finding they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law. No exceptions were received by the Board.

DISCUSSION AND FINDINGS

Having reviewed the Initial Decision and the Stipulation, the Board **FINDS** that the Parties have voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board **FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto, including

² East Brunswick purchases untreated water under its own contract with the NJWSA. The Company pumps the untreated water to its primary treatment plant from the intake connection with the NJWSA. Once the Company performs the water treatment services, East Brunswick takes delivery of the treated water at the Company's primary treatment plant. The Company does not purchase water from the NJWSA to fulfill its obligation under its contract with East Brunswick. Therefore, none of the increased purchased water costs sought or agreed to in this proceeding should be allocated to East Brunswick.

all attachments and schedules, as its own, incorporating by reference the terms and conditions to the Stipulation, as if they were fully set forth at length herein.

The Board **HEREBY ACCEPTS** the tariff pages attached to the Stipulation as filed with the Board, which shall become effective for service rendered on or after April 4, 2021, as shown on Exhibit A to the attached Stipulation.

In accordance with N.J.A.C. 14:9-7.4, the Petitioner shall file with the Board, not later than 45 days after the adjustment clause has been in effect for one year, a PWAC true-up schedule in connection with this proceeding. Copies of the true-up schedule shall be served upon all Parties to the present proceeding.

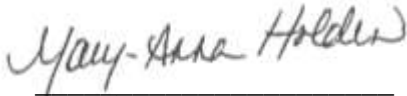
This Order shall be effective on April 3, 2021.

DATED: March 24, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**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. WR20110722
OAL DOCKET NO. PUC 10953-2020S**

SERVICE LIST

<p>Jay L. Kooper, Esq., Vice President, General Counsel and Secretary Middlesex Water Company 1500 Ronson Road Iselin, NJ 08850 jkooper@middlesexwater.com</p> <p>Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Stefanie A. Brand, Esq., Director Division of Rate Counsel sbrand@rpa.nj.gov</p> <p>Susan McClure, Esq. Assistant Deputy Rate Counsel Smcclure@rpa.nj.gov</p> <p>Department of Law and Public Safety Division of Law Public Utilities Section R.J Hughes Justice Complex, 7th Floor West 25 Market Street, Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen Assistant Section Chief Pamela.owen@law.njoag.gov</p> <p>Meliha Arnautovic Deputy Attorney General Meliha.arnautovic@law.njoag.gov</p> <p>Brandon Simmons Deputy Attorney General Brandon.simmons@law.njoag.gov</p>	<p>Board of Public Utilities 44 South Clinton Avenue, 9rd Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch Secretary of the Board Board.secretary@bpu.nj.gov</p> <p>Michael Kammer, Director Division of Water Mike.kammer@bpu.nj.gov</p> <p>Megan Lupo, Bureau Chief Division of Water Megan.lupo@bpu.nj.gov</p> <p>Suzanne Patnaude, Esq. Senior Counsel Office of the Chief Counsel Suzanne.patnaude@bpu.nj.gov</p>
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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 10953-20

AGENCY DKT. NO. WR20110722

**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.**

Jay L. Kooper, Vice President, General Counsel and Secretary, for petitioner, Middlesex Water Company

Alex Moreau and **Meliha Arnautovic**, Deputy Attorneys General, for Staff of the Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey, attorney)

Brian O. Lipman, Litigation Manager, and **Susan E. McClure**, Assistant Deputy Rate Counsel, for Division of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: March 15, 2021

Decided: March 15, 2021

BEFORE **JACOB S. GERTSMAN**, ALJ:

This proceeding involves a petition by the Middlesex Water Company (Middlesex) pursuant to N.J.A.C. 14:9-7.1 et seq., seeking approval of a change to the level of its purchased

water adjustment clause (PWAC), to recover increased purchased water costs, together with deferred costs.

The petition was transmitted to the Office of Administrative Law (OAL) on November 23, 2020, for determination as a contested case, and assigned to the undersigned on January 7, 2021, who conducted the initial case management conference on January 12, 2021. Duly noticed public hearings were held via Zoom Video Communications (Zoom) on February 25, 2020, at 4:30 p.m. and 5:30 p.m.¹ No members of the public appeared at either hearing and no written comments were received.

The parties filed on March 15, 2021, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by petitioner, respondent Board of Public Utilities, and Division of Rate Counsel. It indicates the terms of settlement and is attached and fully incorporated herein.

I have reviewed the terms of settlements and I **FIND**:

1. The parties have voluntarily agreed to the settlements as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlements fully dispose of all issues in controversy between the parties and is consistent with the law.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days

¹ Public hearings were held virtually due to the COVID-19 pandemic.

and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

March 15, 2021 _____

DATE



JACOB S. GERTSMAN, ALJ t/a

Date Received at Agency:

Date Mailed to Parties:

JSG/nd

APPENDIX

EXHIBITS

Jointly Submitted

J-1 Stipulation of Settlement

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF ADMINISTRATIVE LAW**

In The Matter of the Petition of	:	
Middlesex Water Company for	:	OAL Docket No. PUC 10953-2020S
Approval To Change The Levels of Its	:	BPU Docket No. WR20110722
Purchased Water Adjustment Clause	:	
Pursuant To N.J.A.C. 14:9-7.1 et seq.	:	

STIPULATION OF SETTLEMENT

APPEARANCES:

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

Meliha Arnautovic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of the State of New Jersey)

Susan McClure, Esq., Managing Attorney, Water and Wastewater, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director)

TO THE HONORABLE JACOB S. GERTSMAN, ALJ AND THE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement (“Stipulation”) resolves all issues in OAL Docket No. PUC 10953-2020S and BPU Docket No. WR20110722 in which Middlesex Water Company (“Company” or “Petitioner”) seeks approval by the New Jersey Board of Public Utilities (“Board”) of its Purchased Water Adjustment Clause (“PWAC”) to recover increased purchased water costs, together with deferred costs, as more fully set forth in the exhibits attached to the petition and other materials filed herein. The Signatory Parties to this Stipulation, which comprise the parties that have participated in this proceeding are the Company, the Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Signatory Parties”).

As a result of an analysis of Petitioner's pre-filed testimony and exhibits, extensive discovery conducted, conferences, negotiations, and two public hearings held virtually on February 25, 2021, the Signatory Parties have come to an agreement on the issues in dispute in this matter. The Signatory Parties hereto agree and stipulate as follows:

The procedural history of this matter is as follows:

On November 19, 2020, Petitioner, a public utility corporation of the State of New Jersey, pursuant to N.J.A.C. 14:9-7.1 et seq., filed a petition with the Board seeking approval for an increase in its PWAC to recover increased purchased water costs, together with deferred costs, and associated expenses including PWAC rate case expenses, associated gross receipts and franchise taxes. The Company originally requested an increase in annual revenue of \$489,922 over pro forma present rate revenues of \$82,493,782 which represents an overall increase of approximately 0.59%.

The Company purchases water through two water purchase contracts. The first is for untreated water from the New Jersey Water Supply Authority ("NJWSA") and the second is for treated water from New Jersey American Water Company ("NJAW"). The Company was notified of a decrease in its purchased water rate from NJAW from \$0.4453 per thousand gallons (tg) to \$0.4425 per tg effective April 1, 2020 pursuant to BPU Docket No. WR19111465. The Company was subsequently notified of an increase in the NJAW base rate from \$2.3921 per tg to \$2.5543 per tg effective November 1, 2020 pursuant to BPU Docket No. WR19121516.

On November 23, 2020, this matter was transferred to the Office of Administrative Law ("OAL") as a contested case where it was assigned to Administrative Law Judge Jacob S. Gertsman ("ALJ Gertsman"). A Pre-Hearing Conference was convened by ALJ Gertsman on January 12, 2021. After proper notice, two public hearings were held virtually at 4:30 p.m. and 5:30 p.m. on February 25, 2021, with ALJ Gertsman presiding. No members of the public attended.

Subsequently, an agreement was reached among the Signatory Parties resulting in the following Stipulation:

1. The purchased water costs, established pursuant to Petitioner's last PWAC rate order dated March 27, 2020 in BPU Docket No. WR19111463 amounted to \$6,609,722 as appears on the Exhibit A, attached and made a part of this Stipulation. The new base cost of purchased water as agreed to by the Signatory Parties is agreed to be \$6,784,265, resulting in an increase in purchased water cost of \$174,543, as more fully set forth in Exhibit A.

2. The Signatory Parties agree that the sum of the allowable expenses in this matter is set forth in Exhibit A and is agreed to be \$456,260, including:

- a. Rate proceeding expenses of \$500, representing a 50% share of total rate proceeding expenses of \$1,000;
- b. Additional purchased water costs of \$91,092;
- c. NJAW base rate case intervention costs of \$74,950, which the Signatory Parties have determined after a review of the facts in this matter are just and reasonable expenses;
- d. True-up of 2019 PWAC (BPU Docket No. WR19111463) of (\$20,466); and
- e. A revenue tax factor of 14.2234% and the resulting revenue tax of \$64,896.

3. For purposes of this matter, the base consumption established in Petitioner's last base rate case in million gallons (mg) is agreed to be 12,351.0 mg. This amount is reduced by the amount attributable to the Township of East Brunswick ("East Brunswick")¹ of 2,394.3 mg, resulting in a base consumption for recovery of the PWAC of 9,956.7 mg as more fully set forth in Exhibit A.

4. For General Water Service ("GWS") customers under Rate Schedule No. 1, Revised Tariff Sheet No. 33A, a charge of \$1.0280 per thousand cubic feet shall be made to recover the increased purchased water costs, reflected on Rate Schedule No. 1, Revised Tariff Sheet No. 33A, attached and made a part of this Stipulation.

5. For service under contract customers, Rate Schedule No. 5, Revised Tariff Sheet No. 40A, PWAC charges agreed to herein result in a charge of \$52.67 per million gallons, reflected on Rate Schedule No. 5, attached and made part of this Stipulation.

6. As a result of this Stipulation, a residential customer with a 5/8" meter using 2,300 cubic feet or 17,204 gallons of water per quarter will see his/her water bill increase from \$154.27 to \$155.24 per quarter, an increase of \$0.97 per quarter, or an increase of 0.63%. Petitioner shall file a new tariff sheet with the Board, with copies to the Signatory Parties, in conformity with this Stipulation, to become effective on such date as the Board may direct.

7. In accordance with N.J.A.C. 14:9-7.4, Petitioner shall file with the Board, not later than 45 days after the adjustment clause has been in effect for one year, a PWAC true-up schedule in connection with this proceeding. Copies of the true-up schedules shall be served upon all

¹ East Brunswick purchases untreated water under its own contract with the NJWSA. The Company pumps the untreated water to its primary treatment plant from the intake connection with the NJWSA. Once the Company performs the water treatment services, East Brunswick takes delivery of the treated water at the Company's primary treatment plant. The Company does not purchase water from the NJWSA to fulfill its obligation under its contract with East Brunswick. Therefore, none of the increased purchased water costs sought or agreed to in this proceeding should be allocated to East Brunswick.

Signatory Parties to the present proceeding. In accordance with N.J.A.C. 14:9-7.3, this PWAC, if approved by the Board, shall remain in effect until the Company's next rate case, provided that the Company submits an annual year-end true-up as described above and an annual petition for adjustment of the PWAC amount in accordance with N.J.A.C. 14:9-7.4.

8. This Stipulation is the product of 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 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 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.

9. It is specifically understood and agreed that this Stipulation has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Company, Board Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in total or by specific item. The Signatory Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of the Stipulation.

10. All rates are subject to audit by the Board.

11. This Stipulation may be executed in as many counterparts as there are Signatory Parties 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 10, 2021
Date

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

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

Date

By: _____
Meliha Arnautovic
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – DIVISION OF RATE COUNSEL

Date

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

9. It is specifically understood and agreed that this Stipulation has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Company, Board Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in total or by specific item. The Signatory Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of the Stipulation.

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MIDDLESEX WATER COMPANY

March 10, 2021
Date

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

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

3/12/21
Date

By: Meliha Arnautovic
Meliha Arnautovic
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – DIVISION OF RATE COUNSEL

Date

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

9. It is specifically understood and agreed that this Stipulation has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Company, Board Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in total or by specific item. The Signatory Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of the Stipulation.

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11. This Stipulation may be executed in as many counterparts as there are Signatory Parties 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

Date

By:

Jay L. Kooper, Esq.
Vice President, General Counsel & Secretary

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

Date

By:

Meliha Arnautovic
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – DIVISION OF RATE COUNSEL

March 12, 2021
Date

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

**MIDDLESEX WATER COMPANY
PURCHASED WATER ADJUSTMENT CLAUSE
PROPOSED COST PER UNIT OF VOLUME
BPU DOCKET NO. WR20110722**

PURCHASED WATER COSTS PURSUANT TO BPU DOCKET NO. WR19111463	\$ 6,609,722
NEW COST OF PURCHASED WATER	6,784,265
INCREASE IN BASE PURCHASED WATER COST	<u>\$ 174,543</u>
RATE PROCEEDINGS COSTS	75,450
ADDITIONAL PURCHASED WATER COSTS	91,092
INCREMENTAL PURCHASE COST PER BPU DOCKET NO. 19111463	70,725
TRUE-UP OF 2019 PWAC, BPU DOCKET NO. WR19111463	(20,446)
REVENUE TAX FACTOR @ 14.2234%	64,896
SUM OF ALLOWABLE EXPENSES	<u><u>\$ 456,260</u></u>
BASE CONSUMPTION - MILLION GALLONS (MG)	
	<u>MG</u>
BASE CONSUMPTION PURSUANT TO BPU DOCKET NO. WR17101049	12,351.0
LESS: EAST BRUNSWICK PURSUANT TO BPU DOCKET NO. WR17101049	(2,394.3)
BASE CONSUMPTION FOR RECOVERY OF PWAC	<u><u>9,956.7</u></u>
CURRENT PWAC RATE PER TCF (RATE SCHEDULE NO. 1, SHEET NO. 33A)	\$0.6024
CURRENT PWAC RATE PER MG (RATE SCHEDULE NO. 5, SHEET NO. 40A)	\$30.8600
PROPOSED PWAC RATE PER TCF (RATE SCHEDULE NO. 1, SHEET NO. 33A)	\$1.0280
PROPOSED PWAC RATE PER MG (RATE SCHEDULE NO. 5, SHEET NO. 40A)	\$52.6700

MIDDLESEX WATER COMPANY

Thirteenth Revised Sheet No. 33A

B.P.U. No. 1 - WATER

Cancelling

Twelfth Sheet No. 33A

RATE SCHEDULE NO. 1 (Continued)

GENERAL WATER SERVICE – GS

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGES

A charge of \$1.0280 per thousand cubic feet will be made to recover the increased purchased water costs.

Date of Issue: November 19, 2020

Effective for service

Issued by: Dennis W. Doll, President

Rendered on and after:

485C Route 1 South

April 1, 2021

Suite 400

Iselin, New Jersey 08830-0452

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey dated March 24, 2021, in Docket No. WR20110722.

MIDDLESEX WATER COMPANY

B.P.U. No. 1 - WATER

Thirteenth Revised Sheet No. 40A
Cancelling
Twelfth Sheet No. 40A

RATE SCHEDULE NO. 5

SERVICE UNDER CONTRACT - SC

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGES

A charge of \$52.67 per million gallons will be made to recover the increased purchased water costs.

Date of Issue: November 19, 2020

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

Effective for service
Rendered on and after:

April 1, 2021

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey dated March 24, 2021, in Docket No. WR20110722.

MIDDLESEX WATER COMPANY
PURCHASED WATER ADJUSTMENT CLAUSE
BPU DOCKET NO. WR20110722

			PRESENT RATES BPU DOCKET NO. WR19111463		PROPOSED RATES BPU DOCKET NO. WR20110722		
			PWAC RATE	REVENUE	PWAC RATE	REVENUE	DIFFERENCE
RESIDENTIAL	USAGE (CCF)	501,924,775	0.0006024	302,359	0.0010280	515,979	213,619
COMMERCIAL	USAGE (CCF)	221,510,968	0.0006024	133,438	0.0010280	227,713	94,275
INDUSTRIAL	USAGE (CCF)	175,274,917	0.0006024	105,586	0.0010280	180,183	74,597
SUBTOTAL				541,383		923,875	382,491
PRIVATE FIRE	USAGE (CCF)	12,386,177	0.0006024	7,461	0.0010280	12,733	5,272
PUBLIC FIRE	USAGE (CCF)		0.0006024		0.0010280		
SUBTOTAL				7,461		12,733	5,272
SUB-TOTAL				548,845		936,608	387,763
EDISON / HIGHLAND PARK	USAGE (MG)	965.388	30.86	29,792	52.67	50,847	21,055
EAST BRUNSWICK	USAGE (MG)	2,394.288	N/A	0	N/A	0	0
OLD BRIDGE MUA	USAGE (MG)	828.564	30.86	25,569	52.67	43,640	18,071
MARLBORO	USAGE (MG)	1,223.333	30.86	37,752	52.67	64,433	26,681
RAHWAY	USAGE (MG)	124.379	30.86	3,838	52.67	6,551	2,713
SUBTOTAL				96,952		165,471	68,520
ROUNDING				(6)		(29)	(23)
TOTAL PWAC REVENUE				<u>645,790</u>		<u>1,102,050</u>	<u>456,260</u>