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

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WATER

IN THE MATTER OF MIDDLESEX WATER COMPANY FOR APPROVAL OF AN INCREASE IN ITS RATES FOR WATER SERVICE AND OTER TARIFF CHANGES ORDER SUSPENDING INCREASE, CHANGRES OR ALTERATIONS IN RATES FOR WATER SERVICE

DOCKET NO. WR21050813

Parties of Record:

**Stephen B. Genzer, Esq.,** Saul Ewing Arnstein and Lehr, LLP, on behalf of Middlesex Water Company

Stefanie A. Brand, Esq. Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On May 20, 2021, pursuant to N.J.S.A. 48:2-21 N.J.A.C.14:1-5.12, N.J.A.C, 14:5-11 and N.J.A.C 14:9-10.4 <u>et seq.</u>, Middlesex Water Company ("Middlesex", "Company" or "Petitioner") a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition seeking to increase base water rates in the amount of approximately \$31.3 million or 37.79%. The increase in rates is proposed to become effective on June 21, 2021<sup>1</sup>.

Middlesex is a corporation in the State of New Jersey with its principal offices located at 485C Route One South, Suite 400, Iselin, New Jersey, 08830, which serves approximately 62,000 retail water customers primarily in the eastern portion of Middlesex County, New Jersey. Middlesex retail customers are located in about a 55-mile radius 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

<sup>&</sup>lt;sup>1</sup> By correspondence dated May 24, 2021, the Petitioner indicated that it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the June 23, 2021 Agenda meeting.

Middlesex also provides wholesale water under contracts to the City of Rahway, Townships of Edison and Marlboro, the Borough of Highland Park and the Old Bridge Municipal Utilities Authority. Middlesex also treats, stores and distributes and pumping services to the Township of East Brunswick under contract. Additionally, the Company provides water service to approximately 300 customers in Cumberland County, New Jersey. This is referred to as Bayview.

According to the petition, the Company is filing for the recovery of prudently-incurred investments made to address aging drinking water infrastructure and a variety of other improvements to help ensure continued resiliency, reliability and overall quality of service since the last rate case.

Since its last rate case, the Company indicates it has invested approximately \$267 million as part of its Water for Tomorrow capital improvement program which includes several large scale infrastructure projects, all of which have been completed.

Middlesex is also engaged in the construction of the Western Transmission Main, a large diameter 4.5-mile transmission pipeline needed to provide critical backup water supply and system resiliency. The Company additionally completed the construction of a new Ozone treatment facility at Middlesex's Carl J. Olsen Water Treatment plant, where ozone will now be used as a primary disinfecting byproducts and ensure compliance with increasing regulatory requirements.

Consistent with the requirements of the New Jersey Water Quality Accountability Act, the Company further completed replacement of aging areas of Middlesex's water distribution system using a risk-based approach, which included a risk-based approach, which included mains, valves, service lines and meters under the Company's RENEW program, now it's in 26<sup>th</sup> year.

Moreover, renovation and repurposing of the Company's headquarters which was built in 1984, was completed to address operational and staffing needs and comply with environmental regulations.

The Company states that other improvements include upgrades to its raw water intake station on the Delaware and Raritan Canal and improvements related to supplementing emergency power generation and further mitigating environmental impacts related to the water treatment process.

It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in the Petitioner's tariff, it is <u>HERBY</u> <u>ORDERED</u> as follows:

- Pursuant to N.J.S.A 48:2-21, the proposed revisions be, and are suspended until October 21, 2021, unless the Board prior to that date makes a determination disposing of the Petition or enters an Order further suspending the proposed revisions;
- (2) The Petitioner shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, (33 Washington Street, Newark, NJ 07102), proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C 14:1-5.12 (b) and (c) which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate schedule as the Board may determine; and
- (3) The Petitioner serve copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel (140 East Front Street, Post Office Box 003, 4<sup>th</sup> Floor, Trenton NJ 08525) the Clerk of the affected municipality, the clerk of the chosen Freeholders of the affected County, and where appropriate, the executive officer of the affected county

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within its Service area. Service of the petition, notice of hearings and this Order shall be filed with the Board within 15 days of the date Order.

This Order shall be effective on July 4, 2021.

DATED: June 24, 2021

BOARD OF PUBLIC UTILITIES BY:

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