



Agenda Date: 1/10/24  
Agenda Item: 5A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF MIDDLESEX WATER COMPANY )  
FOR APPROVAL OF PROPOSED COST RECOVERY ) ORDER ADOPTING  
OF LEAD SERVICE LINE REPLACEMENT PLAN ) STIPULATION  
)  
) DOCKET NO. WR23050291

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Jay L. Kooper, Esq.**, Middlesex Water Company

BY THE BOARD:<sup>1</sup>

By this Order, the New Jersey Board of Public Utilities (“Board”) considers a stipulation of settlement (“Stipulation”) entered into by Petitioner, Middlesex Water Company (“Middlesex” or “Company”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”) resolving all issues in this matter.

**BACKGROUND AND PROCEDURAL HISTORY**

Middlesex is engaged in the business of treating, pumping, and distributing water for retail service to approximately 61,000 retail customers, primarily in eastern Middlesex County, New Jersey. Middlesex also provides wholesale water service to the City of Rahway, the Townships of Edison and Marlboro, the Borough of Highland Park, and the Old Bridge Municipal Utilities Authority, and provides water service to approximately 300 customers in Cumberland County, New Jersey.

On July 22, 2021, Governor Murphy signed an act concerning the replacement of lead services lines into law. P.L. 2021, c. 183 (“LSLR Law”). The LSLR Law found:

[T]he presence of lead in drinking water represents a threat to the public health, especially the health and development of New Jersey’s children; that pipes containing lead that connect water mains to homes and other buildings, often called lead service lines, are a primary source of lead in drinking water; and that, due in part to the age of New Jersey’s housing, there does not exist a full and complete inventory of all lead service line in the State.

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<sup>1</sup> Commissioner Michael Bange abstained from voting on this matter.

The Legislature therefore declared that the public water systems should fully inventory all service lines and gradually replace all lead service lines, portions of which may exist on private property; and that, given the risk to public health and the resulting social costs that lead exposure imposes on society as a whole, it is in the public interest that each public water system be obligated to replace lead service lines, including those that exist on private property, and be authorized to recoup the costs of lead service line replacements from all subscribers of the public water system.

[N.J.S.A. 58:12A-40.]

The LSLR Law also requires that “[i]n order to recoup the costs of lead service line replacements from its customers, an investor-owned public community water system shall submit to the [B]oard, for approval at its next general rate case proceeding, a petition that includes a proposal for cost recoupment.” N.J.S.A. 58:12A-45(b).

On May 15, 2023 Middlesex filed a petition requesting authorization to recover costs associated with the replacement of customer-side Lead Service Lines (“LSLs”) (“Petition”).

By Order dated June 29, 2023, the Board retained this matter for review and designated Commissioner Marian Abdou as the presiding officer authorized to rule on all motions arising during the pendency of this proceeding.<sup>2</sup> On August 28, 2023, the Parties jointly submitted a proposed procedural schedule subsequently approved by Commissioner Abdou via Order dated September 19, 2023.<sup>3</sup>

## **PETITION**

By the Petition, Middlesex submitted a detailed plan for LSL replacement (“LSLR Plan”) in the Company’s territory and requested that the Board authorize it to defer the costs to replace customer-owned LSLs as a regulatory asset until the Company replaces all customer-owned LSLs and recovers the costs associated with the replacements. Additionally, the Company requested authorization to calculate a monthly carrying charge based on the balance of the regulatory asset account equal to the embedded cost of debt from the Company’s then-applicable base rate case.

After proper notice, Commissioner Abdou presided over two (2) virtual public hearings at 4:30 pm and 5:30 pm on October 26, 2023. No members of the public appeared at the hearings. Additionally, the Board received no written comments on this matter.

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<sup>2</sup> In re Middlesex Water Company for Approval of Proposed Cost Recovery of Lead Service Line Replacement Plan, BPU Docket No. WR23050291, Order dated June 29, 2023.

<sup>3</sup> In re Middlesex Water Company for Approval of Proposed Cost Recovery of Lead Service Line Replacement Plan, BPU Docket No. WR23050291, Order Adopting Procedural Schedule, Order dated September 19, 2023.

## **STIPULATION**

Following a review of the Petition, conducting discovery, and negotiations, the Parties executed the Stipulation, which provides for the following:<sup>4</sup>

1. The Parties agreed that Middlesex's proposed cost recovery for its LSLR Plan is consistent with the LSLR Law and should be approved by the Board.
2. The cost of replacing Company-owned LSLs shall be recorded in Account 345 – Services, in accordance with the Board's Uniform System of Accounts ("USoA"). Company-owned LSLs shall be eligible for capital recovery either through base rates or under the current Distribution System Improvement Charge, depending on the timing of the investment.<sup>5</sup>
3. The Company shall be entitled to recover actual costs associated with the replacement of customer-owned LSLs as follows: 1) costs incurred from the Company's last base rate case through the first semi-annual surcharge filing; and 2) costs reflected in ongoing semi-annual surcharge filings following the first semi-annual surcharge filing.
  - a. For costs incurred since the Company's last base rate case through the last month ending prior to the Company's first surcharge filing, the Company shall record and defer on its books in USoA Account 186 – Miscellaneous Deferred Debits a regulatory asset that represents the total actual project costs associated with replacing customer-owned LSLs since October 1, 2021, including a monthly carrying charge on such regulatory asset balance equal to the embedded cost of debt from the Company's most recently concluded base rate case as of the Company's first surcharge filing.<sup>6</sup>
  - b. Following the Board's approval of the Company's LSLR Plan, the Company shall make a first semi-annual surcharge filing with the Board setting forth the total amount of actual project costs incurred in connection with the replacement of customer-owned LSLs from October 1, 2021 through the most recent month end period prior to the date of the surcharge filing. The total amount to be recovered through the expense surcharge will include carrying costs based on the Company's embedded cost of debt authorized in the Company's most recently concluded base rate case as of the date of the first semi-annual surcharge filing.
  - c. After the first semi-annual surcharge filing, the Company shall record and defer the expense incurred in between semi-annual surcharge filings on its books in USoA Account 186 – Miscellaneous Deferred Debts as a regulatory asset to capture the actual project costs associated with replacing the customer-owned LSLs, including the Company's embedded cost of debt authorized in the then most recently concluded Middlesex base rate case. The full amount deferred during each six (6) month period will then be included in each semi-annual surcharge filing.

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<sup>4</sup> Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

<sup>5</sup> In re the Petition of Middlesex Water Company for Approval of a Foundational Filing for Establishing a Distribution System Improvement Charge, BPU Docket No. WR23050288, Order dated October 25, 2023.

<sup>6</sup> See In re Middlesex Water Company – Approval of an Increase in its Rates for Water Service and other Tariff Changes, BPU Docket No. WR21050813.

- d. Each semi-annual surcharge shall be applied to General Metered Service customers as a fixed charge on customers' bills and collected over a six (6) month period. Each surcharge shall be implemented 30 days after the surcharge filing is made with the Board.
  - e. The Company will reconcile any over- or under-collections on an annual basis as part of its surcharge filings.
  - f. The actual LSL surcharge revenue requirement associated with replacing customer-owned LSLs will vary depending on the actual amount of expense incurred during the replacement period. The low-range and high-range estimated monthly LSL surcharge for an average residential customer with a 5/8" meter is set forth in Exhibit A to the Stipulation.
4. The Company shall continually seek funding alternatives from all potential sources to lower, as much as practicable, the total cost of implementing the LSLR Plan.
  5. The Company will update its Administrative costs adjustment of 3% and Program Management Construction Inspection adjustment of 12% so that only actual costs requested (without an index adjustment) are included for recovery.
  6. Only those costs that have been incurred in the replacement of customer-owned LSLs should be included or requested for recovery, as actual expenses may vary during the replacement periods.
  7. The Parties agree that the Company has complied with all of the requirements of the LSLR Law applicable to this proceeding and subject to the Board's jurisdiction, and the LSLR Plan should be approved by the Board.

## **DISCUSSION AND FINDINGS**

The presence of lead in drinking water represents a grave threat to public health in the State of New Jersey and presents a significant obstacle to the provision of safe drinking water to the citizens of New Jersey. A significant obstacle to the reduction of lead in drinking water is the replacement of customer-owned LSLs, which require additional costs and administration to replace. The LSLR Law presents a solution that enables utilities to recoup some of the costs associated with replacing customer-owned LSLs and thereby remove one of the main sources of lead-contaminated drinking water facing the citizens of New Jersey.

A utility's proposal for cost recovery under the LSLR Law must include certain information set forth in N.J.S.A. 58:12A-45(b). In making a determination on the approval of the proposal under the LSLR Law, the Board shall stipulate that:

(1) the proportionate share of project costs for the replacement of the system side of a lead service line may be incorporated into the rate base as capital assets of the investor-owned public community water system or may be recovered through the use of a Distributed System Improvement Charge as allowed under existing law; and

(2) the proportionate share of project costs for the replacement of the property-owner side of a lead service line, including the investor-owned public community

water system's embedded cost of debt, as authorized in its most recent base rate case, shall be treated as an operation and maintenance cost, with no cost of equity additive. Costs for the replacement of property owner-side lead service lines incurred since the investor-owned public community water system's last base rate case and incurred until all property owner-side lead service lines have been eliminated from the investor-owned public community water system shall be recoverable on a semi-annual basis through a separate lead service line expense surcharge and not imbedded into base rates.

[N.J.S.A. 58:12A-45(a)]

In reaching a decision as to a utility's cost recovery proposal under the LSLR Law, the Board must also balance the needs of the ratepayers to receive safe, adequate, and proper service at reasonable rates, while allowing the Company the opportunity to earn a fair rate of return. See e.g. In re Petition of Jersey Cent. Power & Light Co., 85 N.J. 520, 527-29 (1981); N.J.S.A. 48:2-23.

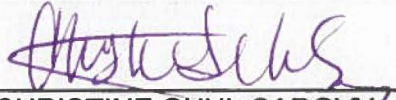
Therefore, having reviewed the full record in this matter, including the Petition and the Stipulation, the Board **HEREBY FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation is reasonable and in the public interest, fully disposes of all issues in this proceeding, and is consistent with the law. The Board **FINDS** that Middlesex has submitted the information required by the LSLR Law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, **INCORPORATES** its terms and conditions, including those consistent with N.J.S.A. 58:12A-45(a), as though fully set forth herein, and **APPROVES** the LSLR Plan.


The Board **NOTES** that the anticipated average monthly bill impact for the proposed rate treatment for the replacement of customer-owned LSLs will vary depending on the actual amount of expense incurred during the replacement period. As such, the Board **HEREBY FINDS** that the Stipulation poses no immediate impact on customer rates, with rates subject to change commensurate with the Company's actual incurred customer-owned LSL replacement costs.

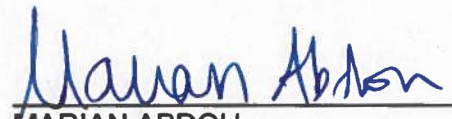
The effective date of this Order is January 17, 2024.

DATED: January 10, 2024

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

ATTEST:   
SHERRI L. GOLDEN  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF MIDDLESEX WATER COMPANY FOR APPROVAL OF A PROPOSED  
COST RECOVERY OF LEAD SERVICE LINE REPLACEMENT PLAN

DOCKET NO. WR23050291

SERVICE LIST

**Middlesex Water Company**

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November 22, 2023

**Via Electronic Mail**

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 Middlesex Water Company for Approval of Proposed Cost Recovery of  
Lead Service Line Replacement Plan  
BPU Docket No. WR23050291  
**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](mailto:jkooper@middlesexwater.com) with any questions or concerns with respect to this filing.

Very truly yours,

A handwritten signature in black ink that reads "Jay Kooper". The signature is written in a cursive, flowing style.

Jay L. Kooper  
Vice President, General Counsel & Secretary

Enclosures

cc: Service List (attached) (via electronic mail)



**Middlesex Water Company**  
**Approval of Proposed Cost Recovery of**  
**Lead Service Line Replacement Plan**  
**BPU Docket No. WR23050291**  
 ~ Service List ~  
 ~ Service List A ~

**MIDDLESEX WATER COMPANY**

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<p><b>Tracy Tyrell</b>          Middlesex Water Company          485C Route 1 South          Suite 400          Iselin, NJ 08830  <a href="mailto:tyrell@middlesexwater.com">tyrell@middlesexwater.com</a>          (electronic only)</p>	<p><b>Michele L. Tilley</b>          Middlesex Water Company          485C Route 1 South          Suite 400          Iselin, NJ 08830  <a href="mailto:mtilley@middlesexwater.com">mtilley@middlesexwater.com</a>          (electronic only)</p>	<p><b>Stephen B. Genzer, Esq.</b>          Saul Ewing LLP          One Riverfront Plaza          Suite 1520          Newark, NJ 07102-5426  <a href="mailto:stephen.genzer@saul.com">stephen.genzer@saul.com</a></p>
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**Middlesex Water Company**  
**Approval of Proposed Cost Recovery of**  
**Lead Service Line Replacement Plan**  
**BPU Docket No. WR23050291**  
 ~ Service List ~  
 ~ Service List A ~

**BOARD OF PUBLIC UTILITIES/DEPARTMENT OF LAW**

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<p><b>Karriemah Graham</b>          Director of Case Management          Board of Public Utilities          44 South Clinton Avenue          PO Box 350          Trenton, NJ 08625-0350  <a href="mailto:Karriemah.graham@bpu.nj.gov">Karriemah.graham@bpu.nj.gov</a></p>		

**Middlesex Water Company  
Approval of Proposed Cost Recovery of  
Lead Service Line Replacement Plan  
BPU Docket No. WR23050291**

~ Service List ~  
~ Service List A ~

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

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<p><b>Marilyn Silva</b> Division of Rate Counsel 140 East Front Street, 4<sup>th</sup> Floor P.O. Box 003 Trenton, NJ 08625 <a href="mailto:msilva@rpa.nj.gov">msilva@rpa.nj.gov</a>  <i>* Electronic Mail Only</i></p>	<p><b>Emily Smithman, Esq.</b> Assistant Deputy Rate Counsel Division of Rate Counsel 140 East Front Street – 4<sup>th</sup> Floor Trenton, NJ 08625 <a href="mailto:esmithman@rpa.nj.gov">esmithman@rpa.nj.gov</a></p>	

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

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<b>IN THE MATTER OF MIDDLESEX WATER</b>	<b>:</b>	<b>BPU DOCKET NO. WR23050291</b>
<b>COMPANY FOR APPROVAL OF</b>	<b>:</b>	
<b>PROPOSED COST RECOVERY OF</b>	<b>:</b>	<b><u>STIPULATION OF SETTLEMENT</u></b>
<b>LEAD SERVICE LINE REPLACEMENT</b>	<b>:</b>	
<b>PLAN</b>	<b>:</b>	

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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 in this proceeding, Middlesex Water Company (“Middlesex” or “Company” or “Petitioner”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and Staff of the Board of Public Utilities (“Staff”) (collectively, “Parties”), have come to an agreement to conclude this matter, described as the within Stipulation of Settlement (hereinafter “Stipulation”). As a result of an analysis of Middlesex’s petition, filed May 15, 2023 (“Petition”), and exhibits, discovery conducted by Rate Counsel and Staff, negotiations, and public hearings, the Parties hereto stipulate and agree as follows:

## **I. Background and Procedural History**

Petitioner is a public utility corporation of the State of New Jersey, with its principal business office at 485C Route One South, Suite 400, Iselin, New Jersey 08830 and is subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”).

Petitioner is engaged in the business of treating, pumping and distributing water for retail service to approximately 61,000 retail customers, primarily in eastern Middlesex County, New Jersey. Middlesex’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. Middlesex also provides wholesale water service to the City of Rahway, the Townships of Edison and Marlboro, the Borough of Highland Park, and the Old Bridge Municipal Utilities Authority; water treatment and pumping services to the Township of East Brunswick; and water service to approximately 300 customers in Bayview, located in Cumberland County, New Jersey.

On July 22, 2021, Governor Murphy signed the Lead Service Line Replacement Law, P.L. 2021, c. 183 (codified at N.J.S.A. 58:12-40 *et seq.*) into law (“LSLR Law”). By the LSLR Law, the New Jersey State Legislature declared that:

Public water systems should fully inventory all service lines and gradually replace all lead service lines, portions of which may exist on private property; and that, given the risk to public health and the resulting social costs that lead exposure imposes on society as a whole, it is in the public interest that each public water system be obligated to replace lead service lines, including those that exist on private property, and be authorized to recoup the costs of lead service line replacements from all subscribers of the public water system.<sup>1</sup>

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<sup>1</sup> N.J.S.A. 58:12A-40.

On May 15, 2023, Middlesex filed the Petition pursuant to the LSLR Law detailing a plan for the replacement of lead service lines within the Company’s service territory (“LSLR Plan”) and seeking authorization to defer the costs to replace customer-owned lead service lines (“LSLs”) as a regulatory asset until the Company replaces all customer-owned LSLs and recovers the costs associated with the replacements. In addition, the Company requested authorization to calculate a monthly carrying charge based on the balance of the regulatory asset account equal to the embedded cost of debt from the Company’s then-applicable base rate case.

By Order dated June 29, 2023, the Board retained this matter for review and designated Commissioner Marian Abdou as the presiding officer.<sup>2</sup> On August 28, 2023, the Parties jointly submitted a proposed procedural schedule subsequently approved by Commissioner Abdou via Order dated September 19, 2023.<sup>3</sup>

After proper notice, Commissioner Abdou presided over two (2) virtual public hearings at 4:30 pm and 5:30 pm on October 26, 2023. No members of the public appeared at the hearing. Additionally, no members of the public submitted written comments on this matter.

## **II. Stipulated Terms**

As a result of settlement discussions and agreements reached during those discussions, the Parties agree to the following stipulations:

1. The Parties agree that Middlesex’s proposed cost recovery for its LSLR Plan is consistent with the LSLR Law and should be approved by the Board.

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<sup>2</sup> In re Middlesex Water Company for Approval of Proposed Cost Recovery of Lead Service Line Replacement Plan, BPU Docket No. WR23050291, Order (June 29, 2023).

<sup>3</sup> In re Middlesex Water Company for Approval of Proposed Cost Recovery of Lead Service Line Replacement Plan, BPU Docket No. WR23050291, Order Adopting Procedural Schedule (Sept. 19, 2023).

2. The cost of replacing Company-owned LSLs shall be recorded in account 345 – Services, in accordance with the Board’s Uniform System of Accounts (“USoA”). Company-owned LSLs shall be eligible for capital recovery either through base rates or under the current Distribution System Improvement Charge (“DSIC”), depending on the timing of the investment.<sup>4</sup>

3. The Company shall be entitled to recover actual costs associated with the replacement of customer-owned LSLs as follows: (1) costs incurred from the Company’s last base rate case through the first semi-annual surcharge filing; and (2) costs reflected in ongoing semi-annual surcharge filings following the first semi-annual surcharge filing.

a. For costs incurred since the Company’s last base rate case through the last month ending prior to the Company’s first surcharge filing, the Company shall record and defer on its books in USoA Account 186 – Miscellaneous Deferred Debits a regulatory asset that represents the total actual project costs associated with replacing customer-owned LSLs since October 1, 2021, including a monthly carrying charge on such regulatory asset balance equal to the embedded cost of debt from the Company’s most recently concluded base rate case as of the Company’s first surcharge filing.<sup>5</sup>

b. Following the Board’s approval of the Company’s LSLR Plan, the Company shall make a first semi-annual surcharge filing with the Board setting forth the total amount of actual project costs incurred in connection with the replacement of customer-owned LSLs from October 1, 2021 through the most recent month end period prior to the date of the surcharge filing. The total amount to be recovered through the expense surcharge will include

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<sup>4</sup> In re The Petition of Middlesex Water Company for Approval of a Foundational Filing for Establishing a Distribution System Improvement Charge, BPU Docket No. WR23050288, Order (October 25, 2023).

<sup>5</sup> See In re Middlesex Water Company – Approval of an Increase in its Rates for Water Service and other Tariff Changes, BPU Docket No. WR21050813.

carrying costs based on the Company's embedded cost of debt authorized in the Company's most recently concluded base rate case as of the date of the first semi-annual surcharge filing.

c. After the first semi-annual surcharge filing, the Company shall record and defer the expense incurred in between semi-annual surcharge filings on its books in USoA Account 186 – Miscellaneous Deferred Debts as a regulatory asset to capture the actual project costs associated with replacing the customer-owned LSLs, including the Company's embedded cost of debt authorized in the then most recently concluded Middlesex base rate case. The full amount deferred during each six (6) month period will then be included in each semi-annual surcharge filing.

d. Each semi-annual surcharge shall be applied to General Metered Service ("GMS") customers as a fixed charge on customers' bills and collected over a six (6) month period. Each surcharge shall be implemented 30 days after the surcharge filing is made with the Board.

e. The Company will reconcile any over- or under-collections on an annual basis as part of its surcharge filings.

f. The actual LSL surcharge revenue requirement associated with replacing customer-owned LSLs will vary depending on the actual amount of expense incurred during the replacement period. The low-range and high-range estimated monthly LSL surcharge for an average residential customer with a 5/8" meter is set forth in Exhibit A to this Stipulation.

4. The Company shall continually seek funding alternatives from all potential sources to lower, as much as practicable, the total cost of implementing the LSLR Plan.

5. The Company will update its Administrative costs adjustment of 3% and Program Management Construction Inspection adjustment of 12% so that only actual costs requested (without an index adjustment) are included for recovery.



6. Only those costs that have been incurred in the replacement of customer-owned LSLs should be included or requested for recovery, as actual expenses may vary during the replacement periods.

7. The Parties agree that the Company has complied with all of the requirements of the LSLR Law applicable to this proceeding and subject to the Board's jurisdiction, and the LSLR Plan should be approved by the Board.

8. The Parties agree that the Board Order approving this Stipulation shall be effective upon the service of said Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A 48:2-40.

9. 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 to and agreed to herein.

10. 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.

11. 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.

12. This Stipulation may be executed in as many counterparts as there are 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



Nov. 22, 2023

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Date

By:

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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

Nov. 22, 2023

\_\_\_\_\_  
Date:

By: /s/ Meliha Arnautovic

Meliha Arnautovic  
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.  
DIRECTOR - RATE COUNSEL

Nov. 22, 2023

\_\_\_\_\_  
Date:

By: Susan McClure

Susan McClure, Esq.  
Managing Attorney, Water and Wastewater

## EXHIBIT A

Estimated monthly Lead Service Lines (“LSL”) surcharge for an average residential customer with a 5/8” meter under the Company’s proposed rate treatment for the recoupment of customer-owned LSL replacement costs:

	Low Range Estimate		High Range Estimate	
	Total Estimated Annual Cost	Average Monthly Bill Impact	Total Estimated Annual Cost	Average Monthly Bill Impact
Year 1	\$4,057,302	\$2.39	\$6,762,169	\$3.98
Year 2	\$4,737,675	\$2.79	\$7,900,961	\$4.65
Year 3	\$4,879,805	\$2.87	\$8,137,990	\$4.79
Year 4	\$5,026,193	\$2.96	\$8,382,120	\$4.93
Year 5	\$5,176,983	\$3.05	\$8,633,591	\$5.08
Year 6	\$5,332,300	\$3.14	\$8,892,610	\$5.23
Year 7	\$5,492,273	\$3.23	\$9,159,396	\$5.39
Year 8	\$5,657,037	\$3.33	\$9,434,170	\$5.55
Year 9	\$5,826,748	\$3.43	\$9,717,196	\$5.72