

MIDDLESEX WATER COMPANY

RATE AND REFUND PLAN FOR PROVISIONAL RATES FILED PURSUANT TO N.J.A.C. 14:1-5.12(f)(3)

Tariff and Rate Design

Middlesex Water Company (“Middlesex” or “the Company”) is implementing a base rate increase of approximately \$17.7 million, effective February 15, 2024, over present base rate revenues of \$109,381,741, as shown in Exhibit B. Per the requirements of N.J.A.C. 14:1-5.12(e)(2), an equal percentage increase of 16.22% shall be applied using the existing rate design for Middlesex as approved by the Board on December 15, 2021. A summary of the tariff changes is shown in Exhibit A. The revised Company tariff reflecting the resulting provisional rates is shown in Exhibit C.

Refund of Over-Recovery and Interest

Once final Board-approved base rates and the effective date are determined, and if final Board-approved base rates are lower than provisional rates, the Company will calculate the refund due each customer, as applicable, for the period provisional rates were effective. The calculation of the difference between provisional and final rates will be prepared for each customer bill and each applicable charge within the bill. The Company will calculate interest on the over-recovery balance consistent with N.J.A.C. 14:3-13.3. The Company will then allocate the total interest accrued on the over-recovery across the customer refunds based on the proportion of each customer’s refund to the total Company over-recovery. The customer refund will be reflected as a unique line item on applicable customer bills. Should a customer who has been subject to provisional rates terminate service before the refunds are issued, and if the customer does not have an outstanding balance due, the customer will receive a check in the amount of the refund.

In summary, if the customer’s bill would have been lower than was billed through provisional rates, they will be issued a refund for the difference. If the customer’s bill would have been higher than was billed through provisional rates, they will not be charged for the difference.

Customer Notification

Per N.J.A.C. 14:1-5.12(f)(1)(ix), the Company will send on January 12, 2024 a direct mailer to affected customers describing the implementation of provisional rates and the refund process. Please see Exhibit D for a representative copy of the direct mailer. The Company has also posted the exhibits attached to this notice to the Board regarding implementation of provisional rates to its website. When final rates are effective, the Company will update its website with the relevant information, as well as provide a notification for affected customers describing the final rates, with an update on the refund process.