BEFORE THE

DELAWARE PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

DAVID NJUGUNA

TIDEWATER UTILITIES, INC.

EXHIBIT T-4

November 2026

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David Njuguna, and my business address is 485 Route 1 South, Suite 400, Iselin, New Jersey 08830.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Middlesex Water Company Inc. ("Middlesex") as Vice President – Rates and Regulatory Affairs. Middlesex is the parent company of Tidewater Utilities, Inc. ("Tidewater" or "the Company").

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND OTHER QUALIFICATIONS.

A. I graduated from Kenyatta University, Nairobi, Kenya, with a Bachelor of Commerce Degree in Accounting in 2000 and earned a Masters Degree in Business Administration from Rutgers Business School – Rutgers University in 2012.

Q. WHEN DID YOU JOIN MIDDLESEX WATER COMPANY AND IN WHAT CAPACITY?

A. I joined Middlesex in January 2026 as the Vice President, Rates and Regulatory Affairs.

Q. WHAT EXPERIENCE DID YOU HAVE PRIOR TO JOINING MIDDLESEX WATER COMPANY?

A. Prior to joining Middlesex, I worked for Veolia Water Management & Services, Inc. (formerly known as United Water/Suez Water) beginning in May 2007 as a Rate Analyst and was subsequently promoted to Senior Rate Analyst, Manager Regulatory Business, and serving as the Director, Regulatory Business at the time of my departure in December 2025.

Q. BEFORE WHAT REGULATORY AGENCIES HAVE YOU PREVIOUSLY PRESENTED TESTIMONY?

A. I have previously filed testimony in rate case filings before the Idaho Public Utilities Commission, the New York State Public Service Commission, the New Jersey Board of Public Utilities, the Pennsylvania Public Utility Commission, the Delaware Public Service Commission, and the Arkansas Public Service Commission. Please see Exhibit A listing public utility commissions I have presented testimony before and the corresponding docket numbers of the proceedings in which I presented testimony.

Q. PLEASE SUMMARIZE THE COMPANY'S REQUEST FOR AN INCREASE IN RATES?

A. Tidewater is requesting a $9,776,277 or 19.56% increase in its revenues to enable the Company earn its requested rate of return of 7.81%. This increase includes approximately $ 657,456 of currently billed Distribution System Improvement Charge (DSIC) to be included in base rates. Under the DSIC tariff requirements, a new base rate filing resets the DSIC charge to zero because the costs previously recovered through the DSIC are incorporated into the proposed base rates, along with the additional revenue increase requested in this proceeding.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS RATE PROCEEDING?

A. The purpose of my testimony is to support Tidewater's request for rate relief. I am specifically sponsoring testimony for the computation of the Company's Rate Base Minimum Filing Requirement ("MFR") 4.2, Schedule 2 and all components associated with rate base, with the exception of Schedule 2A, pages 2 and 3. Mr. Brian Carbaugh has

sponsored testimony for Schedule 2A, page 2 and 3. I am also sponsoring testimony for the development of the Company's Operating Revenues shown on Schedule 3A and the Gross Revenue Conversion Factor. My testimony, sponsored schedules, and exhibits were prepared by me or under my direct supervision and control.

Q. WHO ARE THE OTHER WITNESSES IN THE CASE?

A. The Company's other witnesses and their respective areas of testimony are as follows:

Mr. Bruce Patrick, President, Tidewater Utilities, will address the Company's operations, process for determining capital needs, and proposed tariff changes.

Mr. Brian Carbaugh, Director of Engineering, Tidewater Utilities will present the Company's capital program.

Ms. Tatyana Kaplan, Vice President and Chief Accounting Officer, Middlesex Water Company, will provide a financial overview of the Company.

Mr. Robert Capko, Corporate Controller, Middlesex Water Company, will address certain Company operating expenses, including taxes other than income taxes, as well as the calculation of federal and state income taxes.

Mr. Dylan W. D'Ascendis of Scott Madden will present the Company's cost of capital.

Mr. Tim Lyons of Scott Madden will address the Company's cost-of-service study and rate design.

Mr. Dane Watson of Alliance Consulting Group will sponsor the Company's depreciation study and proposed depreciation rates.

As noted previously, in addition to the topics listed previously for which I am directly responsible, I am the responsible witness if there are any issues which any party believes was not directly addressed by one of those other witnesses. Since we are not yet aware of

specific issues which another party may raise, it is my responsibility to coordinate the Company's overall responses and try to respond appropriately to those concerns.

Q. WHAT IS THE COMPANY'S TEST YEAR AND PROPOSED TEST PERIOD IN THIS PROCEEDING?

A. The Company is utilizing the twelve months ending September 30, 2026, as the Test Year and the twelve months ending June 30, 2027 as the proposed Test Period.

Q. PLEASE DESCRIBE MFR 4.2, SCHEDULE 2, ENTITLED RATE BASE.

A. This schedule reflects the Company's calculation of rate base for the Test Year and Test Period. Rate base was developed by beginning with the Test Year as of September 30, 2026, and projecting the balances of the various components as of the end of the Test Period on June 30, 2027. Schedule 2-1 provides further details of the adjustments for Utility Plant, Accumulated Depreciation, Customer Advances and Contributions-in-Aid-of-Construction.

Line Number 1 - Utility Plant (MFR 4.3) – Schedule 2A, page 2, details the projected capital projects to be completed during the Test Period ending June 30, 2027. This information was developed and sponsored by Mr. Carbaugh and added to the actual Utility Plant as of September 30, 2026. Retirement information shown on Schedule 2A, page 3, was also developed and sponsored by Mr. Carbaugh and subtracted from Utility Plant as of June 30, 2027. In addition, the Company included the proposed reclassification of Computer Equipment under NARUC account 391 to NARUC account 391.02 and retirement of general plant assets as further outlined in testimony of Mr. Dane Watson and Exhibit DAW-2, Appendix A-2. Schedule 2A, page 1, shows Utility Plant by Delaware

Public Service Commission Account Number as of September 30, 2026 (end date of the Test Year) and June 30, 2027 (end date of the Test Period).

Q. PLEASE PROVIDE INFORMATION ON THE UTILITY PLANT SHOWN ON LINE 39, OF SCHEDULE 2A, PAGE 1, IDENTIFIED AS ENTERPRISE RESOURCE PLANNING ("ERP") ALLOCATION?

A. Line 39 includes Tidewater's allocated portion of the cost of the Oracle Enterprise Resource Planning ("ERP") system that was initially placed in service by Middlesex in January 2010. The ERP system is a company-wide integrated business information system which includes the Customer Care and Billing System ("CC&B"), E-Business Suite ("EBS"), Mobile Workforce Management ("MWM") and Work and Asset Cloud Service ("WACS") modules. The allocation to Tidewater of the capital cost of the ERP system is based on a three-factor formula also used in determining the allocation of overhead costs from Middlesex to its affiliates and of overhead costs from Tidewater to its affiliates. This three-factor formula, used for the purpose of allocating common capital costs, has been consistently employed and adopted in prior Tidewater rate proceedings for allocating operating expenses; PSC Docket No. 13-466 and PSC Docket No. 24-0991. That formula was intended to ensure that these costs are recovered once and from the appropriate entity and we believe has worked efficiently to accomplish that goal. Customers of any of the company related entities have been allocated only those costs providing them service and the entity as a whole has appropriately recovered its costs.

Q. PLEASE DESCRIBE THE COMPANY'S ERP SYSTEM.

A. An ERP is a business process technology platform designed to efficiently collect mas s quantities of data for use by companies, such as water utilities, to properly plan and operate

their businesses by making timely information available for such areas as accounting, billing, budgeting, capital projects, customer service, dispatching, distribution, engineering, financing, human resources, insurance, metering, plant replacement, rate matters, regulatory filings and water treatment. The CC&B module is used to manage customers' accounts, billing and payment information. The EBS module includes general ledger, accounts payable, accounts receivable, fixed assets and human resource systems. The MWM module facilitates efficient scheduling of customer appointments including reduction of travel time which, in turn, increases productivity and applies downward pressure on labor costs. The WACS module provides an automated time reporting system, inventory controls, purchasing, asset management and work order system. Under the WACS module, work orders are matched with preventative maintenance programs which, in turn, allow for more efficient asset tracking and asset replacement scheduling. Tidewater's migration from previous manual systems to the automated WACS module that, in turn, enables matching with preventative maintenance programs, has enabled the Company to more effectively and efficiently manage costs and maintain and improve high quality-of-service delivery. Generally, the ERP system was implemented to improve overall efficiencies of the business processes and reduce manual efforts, duplication of data storage, data errors, and to provide opportunities to enhance the quality of service to our customers.

Q. PLEASE CONTINUE DESCRIBING THE COMPONENTS OF RATE BASE AS SUMMARIZED ON SCHEDULE 2.

A. Line Number 2 - Accumulated Depreciation (MFR 4.5) - Line Number 2 shows actual Accumulated Depreciation at September 30, 2026, which was adjusted for the Test Period

depreciation calculated on Schedules 3N-1 and 3N-2, for the nine-month period of October 1, 2026, to June 30, 2027. Retirements were subtracted from Accumulated Depreciation. In addition, the Company included the proposed reserve reclassification of Computer Equipment under NARUC account 391 to NARUC account 391.02 and retirement of general plant assets as further outlined in Mr. Watson's testimony and Mr. Watson's Exhibit DAW-2, Appendix A-2. Schedule 2C shows the per book Accumulated Depreciation as of September 30, 2026, and at the end of the Test Period, by PSC Account Number.

Line Numbers 5 and 6 - Customer Advances for Construction and Contributions-in-Aid-of-Construction (MFR 4.6) – Line Numbers 5 and 6 show the Test Year and projected Test Period balances for Customer Advances for Construction ("CAC") and Contributions-in-Aid-of-Construction ("CIAC") which are deducted from utility plant to help account for rate base. Adjustments were made to the actual September 30, 2026, balances to reflect additional projected advances and contributions and subtracting any refunds projected to occur during the Test Period. Details regarding these two rate base deductions are shown on Schedule 2G and Schedule 2A, page 3, which is sponsored by Mr. Carbaugh in his testimony.

Line Number 7 - Deferred Income Taxes (Property Related) (MFR 4.7) – Schedules 2D-1 and 2D-2 provide an itemized listing of the Company's deferred income taxes segregated between those included as part of the Company's rate base calculation and those that are not included as a component of rate base. Adjustments were made to the actual September 30, 2026, balances to project the balances of accumulated deferred income taxes on normalized depreciation and taxable developer advances as of the end of the Test Period

of June 30, 2027. The adjustments for normalized depreciation and taxable developer advances were calculated by applying the Delaware State income tax rate of 8.7% and the Federal income tax rate of 21% to the projected normalized depreciation and rebates made to refund taxable developer advances. These calculations are shown on Schedule 3K.

Line Number 8 - Materials & Supplies (MFR 4.9) – Line Number 8 represents permanent investments in inventories of materials and supplies that are needed for the proper operation of a water utility. The Test Year amount shown on Line Number 8 equals the balance as of September 30, 2026. The average monthly balance for the thirteen months ending September 30, 2026 was used for the projected Test Period. Schedule 2I provides the monthly balances for the 13-month average Test Year and the preceding Test Year.

Line Number 9 - Cash Working Capital (MFR 4.10) – Line Number 9 was calculated using the results obtained from a comprehensive Lead/Lag Study submitted in Tidewater's recent 2024 rate case, with an update to the Operating Revenues Lag Days to reflect monthly billing. The updated Lead/Lag Study is provided as a separate electronic file submitted as part of the Company's application in this case. Schedule 2E details the mathematical calculation of Cash Working Capital for the Test Year and Test Period.

Line Number 10 – Deferred Regulatory Liabilities (Property Related) (MFR 4.11) – This component of rate base represents the projected unamortized balance as of June 30, 2027 of the Regulatory Liability which was established following the enactment of the Tax Cuts and Jobs Act of 2017 ("TCJA"). The Regulatory Liability represents the unamortized portion of accumulated deferred income taxes ("ADIT") collected at the higher pre-TCJA tax rate at the time the customer rates were approved prior to the TCJA.

Line Number 11 - Prepayment (MFR 4.11) – Line Number 11 represents prepayments the Company makes as part of its water utility operations. The Test Year amount shown on Line Number 11 equals the balance as of September 30, 2026. The Test Period amount is a 13-month average of the Test Year monthly balances.

Q. Please describe the Company's Revenues.

A. Tidewater serves approximately 63,000 customers under a general metered tariff for Residential, Commercial, Sales for Resale and Public and Private Fire Service customers. In addition, the Company supplies wholesale water to its affiliate, Southern Shores LLC.

Q. Please describe the Company's Revenue Categories.

A. The Company's revenues are generally grouped under four major revenue categories:

1) General Metered Sales of Water

2) Fire Protection

3) Contract Sales: and

4) Miscellaneous Water Revenue.

General Metered Sales of Water comprises metered Residential, Commercial, Public Authority and Sales for Resale customers. Fire Protection consists of private and public fire protection, and the Other Operating Revenue category is made up of miscellaneous service revenues from various customer fees and charges.

Q. WOULD YOU PLEASE DESCRIBE SCHEDULE 3A – OPERATING REVENUES?

A. Schedule 3A, page 1 summarizes the detailed calculations found on Schedule 3A, pages 2 through 4 for each customer class or, type of revenue. The detail was used to develop the proposed rates included in the pro forma tariff sheets labeled as submitted under MFR 8.2 to this application.

Schedule 3A, Page 2, Lines 1 through 11 – Facility Charge – This represents the proposed fixed component of customer bills based on the actual number of customers as of September 30, 2026, by meter size, under the column entitled Present Rates, Test Year. The projected number of customers as of June 30, 2027, by meter size, is listed under the column entitled Number of Customers, Test Period. To calculate projected Facility Charge revenues, the number of projected customers at the end of the Test Period was multiplied by 12 to equal the number of bills rendered annually. The resulting number of bills was multiplied by the current tariff rate, resulting in Test Year and Test Period Facility Charge Revenues. This represents the first of two components of the General Metered Service class revenues.

Schedule 3A, Page 2, Lines 12 through 19 – Consumption Charges – In order to develop Test Year revenues, The Company utilized actual consumption for the 12 months ended September 30, 2026 to represent the Test Year. The 5-year average consumption per customer was used as the basis for projecting consumption for the Test Period ending June 30, 2027. A more detailed description and the details of the calculations are provided under MFR 5.2.3 to this application. Additionally, the total consumption volumes were provided to Mr. Bruce E. Patrick, Tidewater President, and utilized in developing Test Period water production data as further described in his testimony. The annual consumption for the Test Year and Test Period was multiplied by the current tariff rates, yielding Test Year and Test Period Consumption Revenues. This represents the remaining components of the General Metered Service class revenues.

Schedule 3A, Page 2, Lines 17 through 18 – Contract Sales Consumption Charges Test Year and Test Period revenues were developed in similar fashion as General Metered

Service consumption revenues, utilizing actual consumption for the Teat Year and a 5-year average for the Test Period.

Schedule 3A, Page 3, Line 1 – Public Fire Protection - The Company charges for Public Fire Protection service to individual customers where fire service is required. The Public Fire Service Revenues were developed from the same data used for the General Metered Service Facility Charges revenue calculation. The actual number of Public Fire Service customers for the Test Year and the projected number of Public Fire Service customers for the Test Period were multiplied by 12, since these customers are billed monthly, to equal the number of bills rendered annually after Tidewater implements monthly meter reading and billing. The resulting number of bills was multiplied by the monthly rates to calculate Test Year and Test Period Public Fire Protection Revenues.

Schedule 3A, Page 3, Lines 4 through 9 – Private Fire Protection – Facility Charge The starting point was the actual number of customers as of September 30, 2026, by meter size for Private Fire Protection. Growth was projected, based upon anticipated new customers and added to the actual number of customers as of September 30, 2026, to project Test Period customers. The actual number of fire service customers for the Test Year was multiplied by 12 and projected number of customers for the Test Period were multiplied by 12, to calculate the number of bills rendered annually. The resulting number of bills was multiplied by the monthly tariff rate, yielding Private Fire Protection revenues for the Test Year and Test Period.

Schedule 3A, Page 4, Lines 1-8 – Broadkiln and Wilkerson - Test Year and Test Period revenue is calculated in the same fashion as described above for facility charges. As Broadkiln and Wilkerson (approximately 1,100 customers) was a recent acquisition,

sufficient historic information is limited. Therefore, consumption volumes for the Test Year and Test Period are the same.

Schedule 3A, Page 5, Lines 1-17 – Oceanview - Test Year and Test Period revenue is calculated in the same manner as described above for the facility charges except, as bills are rendered quarterly for these customers, the end of Test Year customers are multiplied by 4. As the Company is proposing to bill Oceanview customers on a monthly basis, the Company's proposed rates include end of Test Period customers multiplied by 12 to . Like Broadkiln and Wilkerson, consumption volumes for the Test Year and Test Period are the same for the same reasons described above for the Oceanview system's approximately 850 customers. Pursuant to Order No. 10656 in PSC Docket No. 25-0077, there has been no change to the rates for the Oceanview water systems since they were acquired by Tidewater.

Q. ARE THERE ANY OTHER REVENUES THAT ARE INCLUDED IN TIDEWATER'S OPERATIONS?

A. At the bottom of Schedule 3A, page 1 there is a table of miscellaneous service revenues for charges such as Turn-on Fees, Late Payment Penalties, and Returned Check Fees. As the Company has requested no change in such fees and does not anticipate significant change in the charging of such fees, the Test Year and Test Period amounts are the same.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Exhibit A

Prior Testimony of David Njuguna Before Regulatory Commissions

Commission	Docket No.
Delaware Public Service Commission	19-0615
Idaho Public Utilities Commission	VEO-W-24-01
Idaho Public Utilities Commission	VEO-W-22-02
Idaho Public Utilities Commission	SUZ-W-20-02
New York Public Service Commission	19-W-0168
New York Public Service Commission	17-W-0528
New Jersey Board of Public Utilities	WR08090710
New Jersey Board of Public Utilities	WR09120987
New Jersey Board of Public Utilities	WR11070428
Pennsylvania Public Utility Commission	R-2011-2232985
Rhode Island Public Utilities Commission	25-30-WW
Arkansas Public Service Commission	RC 09-130 U