



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

IN THE MATTER OF THE APPLICATION OF)
MIDDLESEX WATER COMPANY FOR THE)
AUTHORITY TO BORROW UP TO \$4.0 MILLION AND)
TO ISSUE EVIDENCES OF INDEBTEDNESS)
PURSUANT TO THE ENVIRONMENTAL)
INFRASTRUCTURE TRUST FINANCING PROGRAM)

WATER
ORDER
DOCKET NO. WF16050445

Parties of Record:

Jay L. Kooper, Esq., V.P., General Counsel & Secretary, Middlesex Water Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

Middlesex Water Company ("Company" or "Petitioner"), a public utility of the State of New Jersey, by petition filed with the Board of Public Utilities ("Board") on May 26, 2016, pursuant to N.J.S.A. 48:3-7, N.J.S.A. 48:3-9, and N.J.A.C. 14:1-5.9, requests authority to:

- (a) Borrow up to \$4.0 million ("Loans") from the New Jersey Environmental Infrastructure Trust ("Trust"), a public body corporate and politic, and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection ("State") and make, execute and deliver to the Trust and the State documents required in connection therewith;
- (b) Make, execute and deliver, if necessary, one or more Supplemental Indentures of Mortgage to US Bank National Association, as Trustee, for the purpose among other things, of describing the terms of Petitioner's First Mortgage Bonds (hereinafter called the "Company's Bonds"), or to make such guarantee or guarantees as are required by State and the Trust to secure the Loans; and
- (c) Issue and deliver, if necessary, to the Trust and the State up to \$4.0 million principal amount of the Company's Bonds, with a final maturity twenty years from the issuance date of the Company's Bonds. Petitioner's Bonds will bear interest at approximately one-quarter of the interest rate of the Trust's Bonds which are intended to be sold by competitive bidding.

Petitioner requests that the relief set forth in Paragraphs (a) through (c) above be granted by the Board without the requirement for a further Board Order.

The Trust will issue and sell its tax-exempt bonds and the proceeds together with other State monies will be used to create a fund available for loans to qualified borrowers, all pursuant to the 2016 New Jersey Environmental Infrastructure Trust Financing Program. Loans to various entities, including the Loans to the Petitioner, will be made from the loan fund. Petitioner proposes to issue and deliver its Bonds to the Trust and the State as security for the Loans from the Trust and the State to Petitioner of up to \$4.0 million. The Trust Bonds will be sold through one or more underwriters with a fixed rate of interest, under circumstances where competitive conditions will be maintained throughout.

The proceeds of the Loans will be used by the Company to finance the upgrade of the Tingley Lane Booster Station, located within the Company's service territory in Edison, New Jersey. The proceeds of the Loans will be used for project work that will commence in calendar year 2016.

Petitioner has stated that no franchise or right will be capitalized directly or indirectly by the issuance of its Bonds.

The Division of Rate Counsel ("Rate Counsel") has reviewed this matter and filed comments by letter dated July 6, 2016. Rate Counsel has proposed certain conditions to the approval of the petition, which have been included herein. To summarize, Rate Counsel proposes that Board approval be "limited to the Loans as described herein, and should not indicate authorization to include any specific assets or amounts in rate base, or indicate authorization for any other ratemaking treatment." (Rate Counsel Comments at 3.)

N.J.S.A. 48:3-9 provides in part: "The board shall approve any such proposed issue, with or without hearing at its discretion, when satisfied that such issue is to be made in accordance with law and the purpose thereof is approved by the board."

The Board, after investigation, having considered the record and exhibits submitted in this proceeding, is satisfied that the proposed transactions to be taken by Petitioner, as indicated above, are in accordance with law, and are in the public interest. The Board therefore **AUTHORIZES** Petitioner to:

1. Borrow up to \$4.0 million from the New Jersey Environmental Infrastructure Trust and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection; make, execute, and deliver Loan Agreements therefore; and make, execute, and deliver to the Trust and the State documents required in connection therewith;
2. Make, execute, and deliver, if necessary, one or more Supplemental Indentures of Mortgage to US Bank National Association, as Trustee, for the purpose, among other things, of describing the terms of Petitioner's First Mortgage Bonds, or make such guarantee or guarantees as are required by the State and the Trust to secure the loans; and
3. Issue and deliver, if necessary, to the Trust and the State up to \$4.0 million principal amount of the Company's Bonds, with a final maturity twenty years from the issuance of the Company's Bonds. Petitioner's Bonds will bear interest at approximately one-quarter of the interest rate of the Trust's Bonds which are intended to be sold by competitive bidding.

This Order is issued subject to the following provisions:

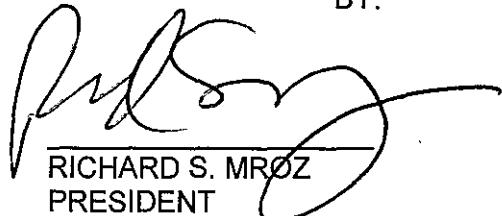
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of the tangible or intangible assets now owned or hereafter to be owned by the Petitioner; nor shall this Order be construed as directly or indirectly certifying that the securities authorized to be issued and sold will be represented by tangible or intangible assets of commensurate value or investment cost.
2. This Order shall not affect or in any way limit the exercise of the authority of this Board or of this State, in any future petition or in any proceedings with respect to rates, franchises, service, financing (including method of sale of securities), accounting, capitalization, depreciation, or in any other matter affecting the Petitioner.
3. Petitioner shall submit a schedule indicating complete details of the issuance costs no later than sixty (60) days following the closing date for this transaction.
4. Petitioner shall furnish the Board with copies of the executed Supplemental Indentures.
5. The bonds herein authorized to be issued shall not be redeemed at a premium, prior to maturity, without further Board approval.
6. The authority granted in this Order shall become null and void and of no effect with respect to any portion which is not exercised on or before December 31, 2017.

This Order shall become effective on August 8, 2016.

DATED: 7/29/16

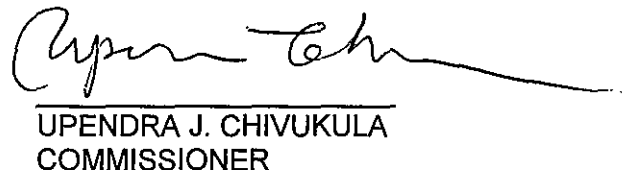
BOARD OF PUBLIC UTILITIES
BY:

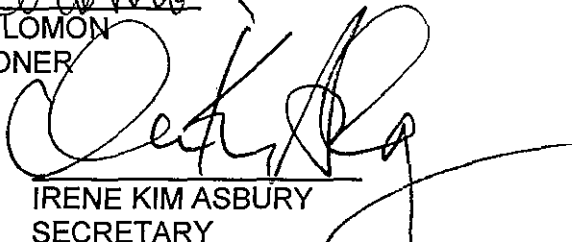

JOSEPH L. FIORDALISO
COMMISSIONER


RICHARD S. MROZ
PRESIDENT

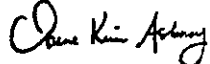

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
SECRETARY

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



This document is a true copy of the original in the files of the Board of Public Utilities. It is not to be used as evidence in any court of law.

**IN THE MATTER OF THE APPLICATION OF MIDDLESEX WATER COMPANY FOR
AUTHORITY TO BORROW UP TO \$4.0 MILLION AND TO ISSUE EVIDENCES OF
INDEBTEDNESS PURSUANT TO THE ENVIRONMENTAL INFRASTRUCTURE TRUST
FINANCING PROGRAM**

DOCKET NO. WF16050445

SERVICE LIST

Dennis W. Doll
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-638-7501- Telephone
732-638-7515 – Fax
ddoll@middlesexwater.com

A. Bruce O'Connor
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-638-7502 - Telephone
732-218-1126- Fax
aboconnor@middlesexwater.com

Michele L. Tilley
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-638-7676 - Telephone
732-638-7526 – Fax
mtilley@middlesexwater.com

Ada Soto
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-638-7511 – Telephone
732-218-1113 – Fax
asoto@middlesexwater.com

Jay L. Kooper, Esq.
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-638-7506-Telephone
732-218-1124- Fax
jkooper@middlesexwater.com

Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
Irene.asbury@bpu.nj.gov

Mark C. Beyer, Chief Economist
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
Mark.beyer@bpu.nj.gov

Christine Lin
Economist Office
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
Christine.lin@bpu.nj.gov

Maria Moran, Director
Division of Water
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
Maria.moran@bpu.state.nj.us

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.state.nj.us

Douglas R. Brown, Esq.
Norris, McLaughlin & Marcus
721 Route 202 & 206 North
P.O. Box 1018
Somerville, NJ 08876-1018
908-722-0700 – Telephone
908-722-0755 – Fax
drbrown@nmmlaw.com

Debra F. Robinson, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
drobinson@rpa.state.nj.us

Alex Moreau, Esq.
Deputy Attorney General
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
Alex.moreau@dol.lps.state.nj.us