



Agenda Date: 11/19/18
Agenda Item: 5A

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/

WATER

IN THE MATTER OF MIDDLESEX WATER COMPANY)	ORDER AUTHORIZING THE
FOR APPROVAL TO ISSUE UP TO 300,000 SHARES)	ISSUANCE OF COMMON
OF COMMON STOCK UNDER THE COMPANY'S 2018)	STOCK
RESTRICTED STOCK PLAN)	
)	
)	DOCKET NO. WF18070705

Parties of Record:

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

BY THE BOARD:

Middlesex Water Company ("Middlesex," "Petitioner" or "Company"), a public utility of the State of New Jersey, filed a petition with the Board of Public Utilities ("Board") on July 9, 2018 pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9 to issue up to 300,000 shares of common stock, no par value, through its 2018 Restricted Stock Plan ("Plan").

Middlesex indicates that the purpose of the Plan is to advance the interests of the Company and its stockholders by providing long-term incentives, in addition to current compensation, to attract and retain key employees of the Company who have contributed, or are likely to contribute, significantly to the long-term performance and growth of the Company that will benefit Middlesex's customers. Among the factors considered by the Company in determining eligibility for an award under the Plan are: (a) leadership goals, designed to focus on fostering a company culture based on ethical behavior, mutual respect, open and honest communication, and continued improvement and accountability for performance; (b) operational goals, designed to focus on training, development, operational excellence, and service quality; and (c) financial goals, designed to continue to attract equity investors and maintain and improve the Company's high quality credit rating.

Pursuant to the terms of the Plan, issuance of 300,000 shares of common stock, no par value, may be made over a 10-year period. Shares of stock which are to be awarded under the Plan may be obtained by the Company from its treasury, by purchases on the open market or from

private sources, or by issuing authorized but unissued stock. The Company represents that the Plan also provides for an adjustment in the number and kinds of shares to be issued under the Plan in the event of certain events, including stock splits, recapitalizations, or exchanges of shares.

By letter dated October 30, 2018, the Division of Rate Counsel indicated that it has reviewed the petition and supporting documents, and is not opposed to its approval.

DISCUSSION:

The Board has reviewed the Plan, and notes that it is identical to a prior plan approved by the Board in its Order issued in Docket No. WF08010074 on May 9, 2008 ("2008 Restricted Stock Plan"), with the only modifications being a change in the effective and termination dates of the new Plan. The 2008 Plan, by its terms, ended on March 31, 2018. In addition, it is not expected that there will be cash proceeds from the issuance of stock pursuant to the terms of the Plan.

Accordingly, 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** Middlesex Water Company to issue up to 300,000 shares of common stock having no par value through its 2018 Restricted Stock Plan.

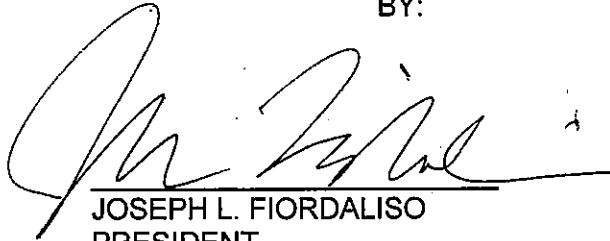
This Order is issued subject to the following provisions:

1. This Order shall not be construed as a certification that the securities authorized to be offered for sale will be represented by tangible or intangible assets of commensurate value or investment cost.
2. The Board's approval is expressly limited to the issuance of common stock without par value described herein and more fully described in the Petition and supporting documents.
3. This Order shall not affect or in any way limit the exercise of the authority of the Board or of this State, in any future petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matter affecting the Petitioner.
4. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by Petitioner.
5. Pursuant to N.J.A.C. 14:1-5.9(b)(1)-(2), Petitioner shall file semiannually with the Board a statement setting forth the following: (1) the amount of stocks or other evidence of indebtedness issued under this Order; and (2) the extent to, and in detail, the manner in which the proceeds thereof, if any, have been distributed.

This Order shall become effective on November 29, 2018.


DATED: 11/19/18

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
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 THE MIDDLESEX WATER COMPANY FOR APPROVAL TO ISSUE UP
TO 300,000 SHARES OF COMMON STOCK UNDER THE COMPANY'S 2018 RESTRICTED
STOCK PLAN
DOCKET NO. WF18070705**

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