



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

DIVISION OF WATER

IN THE MATTER OF THE PETITION OF )  
UNITED WATER NEW JERSEY FOR )  
AUTHORITY TO ISSUE AND SELL ) ORDER OF APPROVAL  
UP TO \$65 MILLION DOLLARS )  
PRINCIPAL AMOUNT TAX-EXEMPT ) DOCKET NO. WF09020147  
NEW JERSEY ECONOMIC )  
DEVELOPMENT AUTHORITY WATER )  
FACILITIES REVENUE BONDS )

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

On February 18, 2009, United Water New Jersey Inc. ("Petitioner" or "Company") filed a petition with the Board of Public Utilities ("the Board") seeking authority pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9 to:

- (1) Issue and deliver, pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9, and permit to remain unpaid, up to sixty-five million (\$65,000,000) dollars in aggregate principal amount of promissory notes to support the issuance and sale, on a negotiated basis, of up to sixty-five million (\$65,000,000) dollars principal amount of tax-exempt New Jersey Economic Development Authority Water Facilities Revenue Bonds ("Bonds"), in one or more series, with a final maturity not to exceed thirty-one (31) years from date of issue;
- (2) Enter into: i) a Loan Agreement with the New Jersey Economic Development Authority; ii) a Contract for Purchase among the Underwriter(s), the New Jersey Economic Development Authority and the Petitioner; and iii) various other documents related to the issuance and sale of the Bonds; and
- (3) Secure the Bonds, by the Company's promissory notes and, if applicable, bond insurance.

The proceeds from the sale and delivery of the Bonds will be used to fund the Company's capital construction program, consisting of infrastructure upgrades to the existing water supply

system. Improvements will be made to the existing Haworth treatment plant and to the existing water supply system throughout Bergen and Hudson Counties.

The financing will be at a rate of approximately 6.5%. This tax-exempt financing will allow the Company to lower its overall cost of capital while providing quality service to the public at the lowest possible cost.

The Bonds will be secured by promissory notes.

Petitioner asserts that any approvals needed pursuant to Blue-Sky laws from public authorities which regulate the sale of securities, and the approval from the New Jersey Economic Development Authority, will be sought in accordance with the laws, rules and regulations that govern such sales.

Petitioner has stated that no franchise or right is proposed to be capitalized directly or indirectly by the issuance of the Bonds.

By a letter dated April 27, 2009, Rate Counsel is not opposed to the Board's approval of this petition. Rate Counsel further recommended that the Board condition any approval on a number of informational requirements. Those requested conditions have been addressed herein.

The Board, after investigation, having considered the exhibits submitted by the Petitioner and the recommendations of its Staff, HEREBY FINDS that the transaction is in accordance with law and is in the public interest, and approving the purposes thereof, HEREBY AUTHORIZES Petitioner to:

- 1) Issue and deliver, pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9, and permit to remain unpaid, up to sixty-five million (\$65,000,000) dollars in aggregate principal amount of promissory notes to support the issuance and sale, on a negotiated basis, of up to sixty-five million (\$65,000,000) dollars principal amount of tax-exempt New Jersey Economic Development Authority Water Facilities Revenue Bonds ("Bonds"), in one or more series, with a final maturity not to exceed thirty-one (31) years from date of issue;
- 2) Enter into: i) a Loan Agreement with the New Jersey Economic Development Authority; ii) a Contract for Purchase among the Underwriter(s), the New Jersey Economic Development Authority and the Petitioner; and iii) various other documents related to the issuance and sale of the Bonds, including any documents required by any third party insurer of said Bonds if necessary; and
- 3) Secure the Bonds, by the Company's promissory notes and bond insurance, if the Company determines that such bond insurance will be economically beneficial.

This Order is issued subject to the following provisions:

- 1) Petitioner may, without further Order of the Board, and upon completion of the negotiated sale process, enter into the documents required for the issuance and sale of the Bonds, and may issue and sell the Bonds in accordance with the terms and conditions contained in the accepted sale offer.

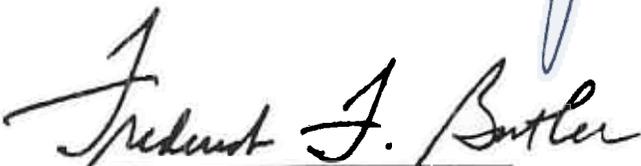
- 2) Petitioner shall furnish the Board, in writing, as soon as practicable after the interest rate pricing, the information concerning the interest rate applicable to the sale.
- 3) Following the issuance and sale of the Bonds, Petitioner shall furnish the Board with the names of all principal purchasers or group representatives together with the interest rate, the annual cost of money to Petitioner, the price, percentage yield and the price to Petitioner applicable to each sale.
- 4) Petitioner shall furnish the Board, as promptly as practicable following the issuance of the Bonds, a copy of all material agreements, including those between (a) the Petitioner and the New Jersey Economic Development Authority, and (b) the Petitioner and the Underwriter(s) and including any other material agreements related to the issuance and sale of the Bonds, including any documents executed with any third party insurer of said Bonds.
- 5) The Bonds shall not be redeemed at a premium prior to maturity without further Board approval.
- 6) This Order shall not affect or in any way limit the exercise of the authority of this Board or of the State in any future petition or in any proceeding with respect to rates, franchises, services, accounting, financing, including method of sale of securities, other than the financing addressed in the Petition in this proceeding, capitalization, depreciation or any other matter affecting Petitioner.
- 7) This Order shall not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.
- 8) This Order shall not be construed as a certification that the securities proposed to be issued will be represented by tangible or intangible assets of commensurate value or investment cost.

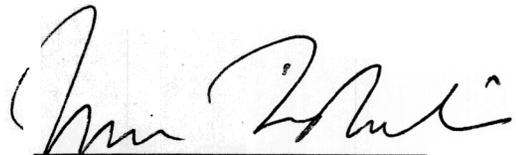
9) The authority granted in this Order shall become null and void and of no effect to the extent that the Bonds are not issued within six months of the date of this Order.

DATED: 5/15/09

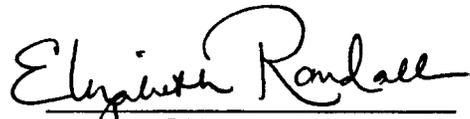
BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

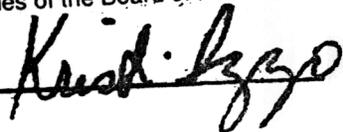
  
NICHOLAS ASSELTA  
COMMISSIONER

  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

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



BOARD OF PUBLIC UTILITIES  
OFFICE OF THE ECONOMIST

**FINANCING FACT SHEET**  
DOCKET NO. WF09020147

**PETITIONER:** United Water New Jersey

**AMOUNT:** \$65,000,000

**TYPE OF SECURITY:** NJEDA Water Facility Revenue Bonds

**MATURITY:** Not to exceed thirty one (31) years from issue date

**INTEREST RATE:** 6.5%

**METHOD OF SALE:** Negotiated

**USE OF PROCEEDS:** The proceeds will be used for the Company's capital construction program to provide upgrades to the existing water supply system of the Company. More specifically, improvements will be made to the existing Haworth treatment plant and possibly include improvements to the existing water supply system throughout Bergen and Hudson Counties.

**NJ PRESENCE:** NJ Revenue – Annual gross revenue: \$147,834,000  
NJ Customers – 195,879 Customers

**PETITIONER'S TEAM**

**COUNSEL:** Carla E. Hjelm, Esq.

**Staff:** Mark A. Genneri

**BPU STAFF**

**ECONOMIST OFFICE:** Robert Wojciak

**D A G:** Kenneth J. Sheehan, Esq.

**AGENDA DATE:** May 14, 2009

**PREPARED BY:** Robert Wojciak

**REVIEWED BY:** Mark C. Beyer