



Agenda Date: 5/8/08
Agenda Item: 5C

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
<http://www.nj.gov/bpu>

IN THE MATTER OF MIDDLESEX WATER)	<u>WATER</u>
COMPANY FOR APPROVAL TO ISSUE UP)	
TO 300,000 SHARES OF COMMON STOCK)	ORDER AUTHORIZING THE ISSUANCE
UNDER ITS 2008 RESTRICTED STOCK)	OF COMMON STOCK
PLAN)	
)	DOCKET NO. WF08010074

(SERVICE LIST ATTACHED)

BY THE BOARD:

Middlesex Water Company ("Petitioner"), a public utility of the State of New Jersey, by Petition filed January 29, 2008 with the New Jersey Board of Public Utilities ("Board"), requests authority pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9, to issue 300,000 shares of its Common Stock having no par value, through its 2008 Restricted Stock Plan ("The Plan").

The Plan was approved by the Company's Board of Directors at its meeting held on January 22, 2008, subject to shareholder approval and regulatory approvals. 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 certain key executives and other employees of the Company who have contributed, or are likely to contribute, significantly to the long-term performance and growth of the Company.

The plan is similar to a prior plan known as the 1989 Restricted Stock Plan (the "1989 Plan"). The 1989 Plan was approved by the Board in its Order in Docket No. WF89090745J, dated November 8, 1989, with further approval given by the Board in its Order in Docket No. WF92080778J dated September 24, 1992. The 1989 Plan was amended and approved by the Company's Board of Directors on January 23, 1997 and approved by the Shareholders on May 28, 1997 (the "1997 Plan"). The 1997 Plan, as modified was approved by the Board in its Order in Docket No. WF96120881, dated June 11, 1997. Further action is necessary at this time since the 1997 Plan, by its terms, ended in 2007.

The Plan is to be administered by the Compensation Committee of the Company's Board of Directors and shall have exclusive power to select the officers and other employees to be granted awards under the Plan.

Pursuant to the terms of the Plan, issuance of the 300,000 shares of Common Stock, No Par Value, may be made over a ten-year period. The stock to be issued may be authorized but unissued shares, treasury shares, or shares purchased by the Company on the open market or

from private sources. Article 7 of the Plan provides for an adjustment in the number and kind of shares to be issued under the Plan in the event of the certain events, including stock splits, recapitalizations or exchanges of shares. Request is hereby made for the Board's authorization to extend to any additional shares required to be issued by such events. The issuance of stock under the Plan does not yield any cash proceeds to the Company.

By letter dated April 24, 2008, the Division of the Rate Counsel has reviewed the Petition and supporting documents and is not opposed to its approval.

Board approval of this matter does not include authorization to include any specific amounts or assets in the Company's rate base and does not include authorization for ratemaking treatment of any specific amounts or assets.

The Board, after investigation, being satisfied with the action proposed to be taken by Petitioner as described above, FINDS that the proposed transaction is to be made in accordance with law, is in the public interest, and approves the purposes thereof.

Therefore, the Board HEREBY ORDERS that Middlesex Water Company be and is HEREBY AUTHORIZED to issue 300,000 additional shares of Common Stock having no par value, through its 2008 Restricted Stock Plan.

This Order is 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 as 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 the State in any future petition with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or any other matters 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.

The effective date of this Order is as set forth below.

DATED:

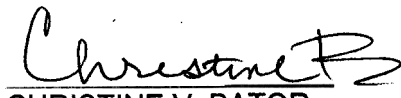
5/9/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

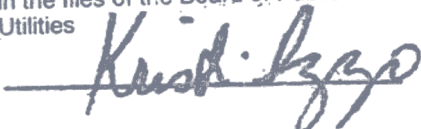

CHRISTINE V. BATOR
COMMISSIONER


NICHOLAS ASSELTA
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



SERVICE LIST

IN THE MATTER OF MIDDLESEX WATER COMPANY FOR APPROVAL TO ISSUE UP TO 300,000 SHARES OF COMMON STOCK UNDER ITS 2008 RESTRICTED STOCK PLAN

Docket No. WF08010074

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