



Agenda Date: 4/14/10
Agenda Item: 5C

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

WATER

IN THE MATTER OF THE APPLICATION OF	)	ORDER
MIDDLESEX WATER COMPANY FOR AUTHORITY TO	)	
ISSUE AND SELL UP TO 2,000,000 SHARES OF	)	
COMMON STOCK	)	DOCKET NO. WF10020100

Kenneth J. Quinn, General Counsel, Middlesex Water Company 1500 Ronson Road, Iselin, NJ 08830-3020

BY THE BOARD:

Middlesex Water Company (Petitioner), a public utility of the State of New Jersey, by petition filed February 4, 2010, with the Board of Public Utilities (Board), requested authority pursuant to N.J.S.A. 48: 3-9 and N.J.A.C. 14:1-5.9, to issue and sell up to 2,000,000 shares of Common Stock without par value.

The net proceeds from the sale of the Common Stock will be used to pay short-term debt, and to maintain an appropriate equity balance in the capital structure of the Company, including its regulated affiliates.

Petitioner proposes to issue and sell the Common Stock by a negotiated public offering through the underwriting firm of Janney Montgomery Scott, LLC (the "Underwriter"). Petitioner proposes to enter into an Underwriting Agreement with the Underwriter. The Underwriting Agreement contains a provision which will allow the Underwriter to add, eliminate or substitute other Underwriters as needed in order to sell Petitioner's Common Stock.

The price to be paid to Petitioner and the offering price for the shares of Common Stock have not yet been determined. Said price will be determined by agreement between Petitioner and the Underwriter as a result of negotiations and will be based on the market price of the Common Stock, as described below, on the pricing date to be selected by Petitioner and the Underwriter.

Petitioner and the Underwriter have negotiated certain agreements concerning the date proposed for the sale and the number and price of shares to be sold. The proposed sale is currently scheduled to take place in the second quarter of 2010. However, Petitioner requests authority to make the sale at a later date, if necessary, to account for market conditions and/or

possible Securities and Exchange Commission review. Subject to satisfaction of the terms and conditions of the Underwriting Agreement, including the agreement of the parties to consummate the sale, Petitioner will issue and sell up to 2,000,000 shares of Common Stock. The Underwriter will purchase said shares from the Petitioner at a price per share which will be mutually agreed upon utilizing the closing bid price quoted on the last trading day prior to the sale (Pricing Date) less a 4.0 % Underwriter's spread.

The Division of Rate Counsel has reviewed this matter and by a letter dated March 31, 2010, does not object to the approval of the petition. Furthermore, Rate Counsel has recommended certain language that has been incorporated in this Order.

The Board, after investigation in this matter and review of the petition and exhibits submitted in this proceeding, FINDS that the proposed transaction is to be made in accordance with the law, is in the public interest and approving the purposes thereof, HEREBY ORDERS that Petitioner be and is HEREBY AUTHORIZED to issue and sell, on a negotiated basis, up to 2,000,000 shares of Common Stock without par value, to Janney Montgomery Scott, LLC and/or to such other underwriters as may be authorized under the Underwriting Agreement at a mutually agreed upon price which will be based on the closing bid price on the Pricing Date less a 4.0% Underwriter's spread, without further Board Order all as herein described.

This Order is issued subject to the following provisions:

1. Petitioner shall submit a copy of the journal entries to record the issuance and sale of the Common Stock and expenses related thereto in accordance with the appropriate Uniform System of Accounts.
2. In the event that Petitioner finds it appropriate to effect the issuance and sale of the Common Stock in a manner other than as described in this Order, Petitioner shall file with the Board as promptly as practicable, a statement advising the Board of such facts, stating the reasons therefor, proposing an alternative course of action and requesting a Supplemental Order specifically authorizing the actions then proposed to be taken.
3. Petitioner shall, as soon as practicable after the issuance and sale of the Common Stock, submit to this Board a statement, which shall indicate the date of sale, the closing bid price on the Pricing Date, the price paid to the Petitioner, the Underwriter's spread and the net proceeds to the Petitioner.
4. Petitioner shall submit to the Board copies of the executed Underwriting Agreement substantially in the form submitted to the Board and all other agreements as executed and filed with other regulatory agencies.
5. This Board's approval is expressly limited to the sale of common stock without par value described herein and as more fully described in the Application and supporting documents.
6. 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.

7. This Order shall not be construed as a certification that the Common Stock authorized to be issued and sold will be represented by tangible or intangible assets of commensurate value or investment costs.
8. This Order shall not affect nor 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, services, financing, (including the method of sale of securities), accounting, capitalization, depreciation or in any other matter affecting the Petitioner.
9. The authority granted in this Order shall become null and void and of no effect with respect to any portion thereon which is not exercised by December 31, 2011.

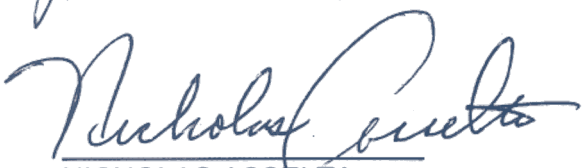
DATED: 4/16/10

BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

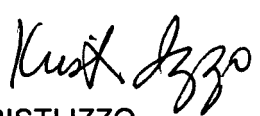

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

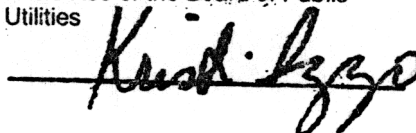

NICHOLAS ASSELTA
COMMISSIONER


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



SERVICE LIST

In The Matter Of The Application of Middlesex Water Company for Authority to Issue and Sell Up to 2,000,000 Shares of Common Stock

Docket No. WF10020100

Dennis W. Doll
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-634-1500
ddoll@middlesexwater.com

A. Bruce O'Connor
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-634-1500
aboconnor@middlesexwater.com

Kenneth J. Quinn, Esq.
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
732-634-1500
kjquinn@middlesexwater.com

Mark C. Beyer
Board of Public Utilities
Office of the Economist
Two Gateway Center
Newark, NJ 07102
973-648-3414
mark.beyer@bpu.state.nj.us

Dante Mugrace
Board of Public Utilities
Division of Water
Two Gateway Center
Newark, NJ 07102
973-648-2308
dante.mugrace@bpu.state.nj.us

John Lombardo
Board of Public Utilities
Division of Water
Two Gateway Center
Newark, NJ 07102
973-648-6114
John.Lombardo@bpu.state.nj.us

Robert Wojciak
Board of Public Utilities
Office of the Economist
Two Gateway Center
Newark, NJ 07102
973-648-3978
robert.wojciak@bpu.state.nj.us

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
kristi.izzo@bpu.state.nj.us

Sadie Brown
Division of Water
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
sadie.brown@bpu.state.nj.us

Debra F. Robinson, Esq.
Division of Rate Counsel
31 Clinton Street – 11th Floor
P.O. Box 46005
Newark, NJ 07101
973-648-2690
drobinso@rap.state.nj.us

Stefanie A. Brand, Esq.
Director
Division of Rate Counsel
31 Clinton Street – 11th Floor
P.O. Box 46005
Newark, NJ 07101
sbrand@rpa.state.nj.us

Bernard Smalls, Legal Assoc.
Division of Rate Counsel
31 Clinton Street – 11th Floor
P.O. Box 46005
Newark, NJ 07101
bsmall@rpa.state.nj.us

Kenneth J. Sheehan, DAG
Dept. of Law & Public Safety
Division of Law
124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07102
Kenneth.Sheehan@law.dol.lps.state.nj.us

Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes@optonline.net