



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF GORDON'S )  
CORNER WATER COMPANY FOR AUTHORITY TO ) ORDER  
MAKE, EXECUTE AND DELIVER A PROMISSORY )  
NOTE, TERM LOAN AGREEMENT AND SUCH )  
OTHER INSTRUMENTS AS MAY BE REQUIRED BY )  
COBANK, ACB, IN CONNECTION WITH SAID LOAN, )  
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 (2022) ) DOCKET NO. WF22120732

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Stephen B. Genzer, Esq., Saul Ewing LLP**, for Gordon's Corner Water Company

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a petition filed on December 13, 2022 by Gordon's Corner Water Company ("Company" or "Petitioner"), a public utility of the State of New Jersey with offices located at 27 Vanderburg Road, Marlboro, New Jersey ("Petition"). By the Petition, the Company seeks authority, 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, to make, execute, and deliver a Promissory Note, Term Loan Agreement, and such other instruments as may be required by the lender, CoBank, ACB ("CoBank"), in connection with a multiple advance senior secured term loan.

**BACKGROUND**

By the Petition, the Company explained that, on November 28, 2022, it received a letter from CoBank ("Commitment Letter") committing to a multiple advance senior secured term loan in an amount of up to \$3,000,000 ("Loan"), subject to the terms and conditions set forth in the Commitment Letter. The Petitioner specified that the Loan would be for a term of 20 years with a fixed rate of interest to be established in accordance with the Commitment Letter when CoBank advances the Loan proceeds. In accordance with the Commitment Letter, CoBank would receive a first priority lien on, and security interest in, all of the Company's real and personal, tangible and intangible, present and future assets.

The Petitioner asserted that the Loan proceeds would be used to finance production well rehabilitation; relocation and construction of a bulk water interconnection with one (1) of the

Company's primary water suppliers, Veolia Water (Matchaponix); treatment plant filter rehabilitations; and service line installations and replacements throughout the Company's distribution system.

On March 22, 2023, the New Jersey Division of Rate Counsel ("Rate Counsel") filed a letter noting that, after careful review of the Petition and discovery responses, it is not opposed to its approval, and recommended Board approval be subject to eight (8) specific conditions:

### **DISCUSSION AND FINDINGS**

The Board, following review of the record in this matter, including the Petition and exhibits, as well as the comments of Rate Counsel and Board Staff, pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9A, **HEREBY FINDS** that the Loan transaction and actions proposed to be taken by Petitioner are in accordance with law and in the public interest, and approving of the purposes thereof, **HEREBY ORDERS** that Gordon's Corner Water Company is **HEREBY AUTHORIZED** to enter into the Loan in accordance with the terms set forth in the Commitment Letter, and to make, execute and deliver a Promissory Note, applicable loan and security documents, and such other instruments as are necessary to effectuate the loan transaction described therein.

This Order is issued subject to the following provisions:

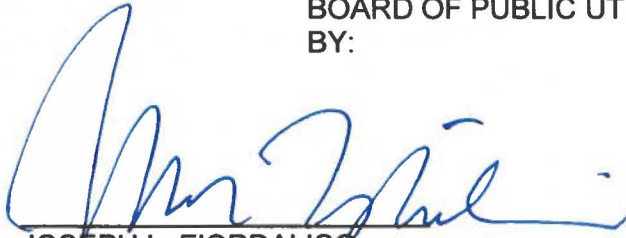
- 1) The Board's approval is expressly limited to the Loan described herein and as more fully described in the Petition and supporting documents. In the event the Loan transaction with CoBank is not consummated, for any reason, the Company may not obtain financing from any other lender until Board approval has been obtained.
- 2) 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 the Petitioner; nor as certifying that the securities authorized to be issued and sold will be represented by tangible or intangible assets of commensurate value or investment cost.
- 3) This Board's approval shall not indicate authorization to include in rate base the specific assets that will be constructed or acquired as a result of this Petition. The determination of any assets to be included in rate base and the ratemaking impact thereof shall be addressed in a future rate base proceeding.
- 4) This Order shall not affect or in any way limit the exercise of the authority of this Board or of the State of New Jersey in any future petition or in any proceeding with respect to rates, franchises, services, financing, accounting, capitalization, depreciation or in any other matters affecting the Petitioner.
- 5) The authority granted in this Order shall become null and void and of no effect with respect to any portion thereof which is not exercised by April 15, 2024.
- 6) Beginning January 15, 2024, and no later than January 15 of each year following the issuance of this Order, the Petitioner shall submit to the Board Secretary, and provide a copy to the Chief Economist, a letter report detailing each debt issuance, term loan, and use of revolving credit opened or concluded in the prior year, along with copies of executed indentures associated with the Loan. The report shall include the name of the

issuing entity, issue date, amount of debt issued, the term in years, final maturity date, coupon rate, price to public, underwriters discount, net proceeds after expenses, gross proceeds before expenses, breakdown of estimated issuance costs (including, but not limited to, information such as the underwriting fees, underwriting expenses, legal fees and expenses, recordation taxes and fees, trustee fees, etc.) and any other material provision with respect to the terms and conditions of the new issuance.

This Order will be effective on April 26, 2023.

DATED: April 26, 2023

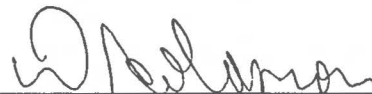
BOARD OF PUBLIC UTILITIES  
BY:



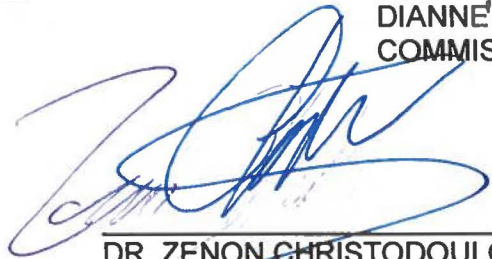
JOSEPH L. FIORDALISO  
PRESIDENT



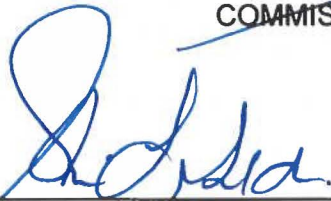
MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER



DR. ZENON CHRISTODOULOU  
COMMISSIONER



ATTEST:

SHERRI L. GOLDEN  
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 PETITION OF GORDON'S CORNER WATER COMPANY FOR AUTHORITY TO MAKE, EXECUTE AND DELIVER A PROMISSORY NOTE, TERM LOAN AGREEMENT AND SUCH OTHER INSTRUMENTS AS MAY BE REQUIRED BY COBANK, ACB, IN CONNECTION WITH SAID LOAN, PURSUANT TO N.J.S.A. 48:3-7, 48:3-9 AND N.J.A.C. 14:1-5.9 (2022)

BPU DOCKET NO. WF22120732

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