



Agenda Date: 9/25/25

Agenda Item: VA

**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 APPLICATION OF  
MIDDLESEX WATER COMPANY FOR AUTHORITY TO  
ISSUE AND SELL UP TO 2.5 MILLION SHARES OF  
COMMON STOCK

)  
)  
)  
)  
)

ORDER AUTHORIZING THE  
ISSUANCE AND SALE OF  
COMMON STOCK

DOCKET NO. WF25050285

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Jay L. Kooper, Esq., Vice President, General Counsel & Secretary**, Middlesex Water Company

**BY THE BOARD:**

On May 9, 2025, Middlesex Water Company ("Middlesex", "Petitioner" or "Company"), a public utility of the State of New Jersey, filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9, requesting authority to issue and sell, in one (1) or more offerings, up to 2.5 million shares of Common Stock, without par value, to fund portions of its capital program ("Petition").

**BACKGROUND**

Middlesex provides water services to approximately 61,000 retail customers, primarily in eastern Middlesex County, New Jersey and provides water under wholesale contracts to the City of Rahway, Townships of Edison and Marlboro, the Borough of Highland Park and the Old Bridge Municipal Utilities Authority. Middlesex treats, stores and distributes water for residential, commercial, industrial and fire protection purposes.

According to the Petition, the Company's current multi-year capital program, known as Water for Tomorrow, projects that Middlesex will spend approximately \$466 million through the year 2028 to replace aging infrastructure, remain compliant with water quality requirements, and enhance service. The Company indicates that the planned infrastructure upgrades are necessary to ensure the continued provision of safe and reliable water service to Middlesex's customers.

In order to maintain a balanced capital structure to continue to attract investor interest, Middlesex's projected \$466 million infrastructure investment will require a combination of funds

generated from operations, debt financing, and equity investments.

## **PETITION**

By the Petition, the Company sought Board approval to issue and sell up to 2.5 million shares of Common Stock. The Company proposed to use the net proceeds of the sale(s) to provide a portion of financing for the Company's capital program, reduce short-term debt, and maintain an appropriate balance in the capital structure of the Company, including its regulated affiliates.

The Company indicated that this sale would be made by public offerings either through a traditional underwritten offering and/or through an alternative method known as an "at-the-market" ("ATM") offering.<sup>1</sup> The Company expects that the offerings, if made through a traditional underwriting method, would be underwritten on a firm commitment basis by an underwriter selected by the Company at a price which has not yet been determined. The Company would pay to the underwriter a fee, which would be a percentage of the total proceeds from a sale and a fee for their costs. Commissions paid to brokers participating in the offerings are included in the underwriter's fee.

If made through a traditional underwriting method, the Company further sought Board approval to market the offerings through a selected underwriter on a negotiated rather than a competitive bid basis. Logistically, according to Petitioner, a negotiated offering provides the Company with lower costs, shorter lead time and flexibility in scheduling, higher assurances of completion (less risk) and the services of proven market-makers in Middlesex stock. The Company further averred that the plan to place multiple, smaller offerings rather than a single offering practically requires that it be made on a negotiated rather than a competitive bid basis.

If made through the ATM method, the Company indicated that the offerings would be made through designated broker-dealers at a prevailing market price to interested sophisticated investors. The broker-dealers would identify potential investors willing to purchase blocks of the Common Stock and, under the ATM public offering method, allows for prompt execution of the transactions. The Company averred that ATM offerings are continuous offerings and will provide the Company with a flexible method to raise equity capital with minimal market impact, aligning with the funding needs of the Company.

Petitioner indicated that it expects that the agreement between the Company and the underwriter and/or broker-dealer will be based on the market price of the Common Stock on the agreed-to pricing date to be selected. Subject to satisfaction of the terms and conditions of the underwriting agreement and/or broker-dealer agreement, including the agreement of the parties to consummate the sale, the Company anticipates selling the shares of Common Stock at a price per share which approximates the closing bid price quoted on the last trading day prior to the sale or the current market price on the day of the sale ("Pricing Date"), subject to the then-current market conditions. According to the Company, utilizing this pricing mechanism will give the parties greater flexibility in the transaction and enable them to proceed in an efficient manner.

---

<sup>1</sup> Registration of the 2.5 million shares of Common Stock with the United States Securities and Exchange Commission ("SEC") is required for either type of offering.

Middlesex also submitted a concurrent petition with the Board for approval to issue and sell up to \$260 million of debt.<sup>2</sup> The Company expects the proposed common stock offerings, if approved, to begin in 2026 and continue on a parallel path with the debt financings contemplated in the Debt Financing Petition. This expected timing of the offerings is subject to change, if necessary, to account for actual project expenditure timetables, financial market conditions, and possible Security Exchange Commission review.

The New Jersey Division of Rate Counsel ("Rate Counsel") reviewed this matter and, by letter dated July 16, 2025, indicated that it does not object to Board approval of the Petition. Rate Counsel also recommended that any Board approval include the following conditions:

- The authority granted by the Board in this docket should be restricted to fund utility operations and investments only, not to fund affiliated entities.
- The Company should be obligated to issue its planned stock issuance at the lowest reasonable cost.
- The Company should be obligated to utilize a prudent and cost-effective capital structure and mix of capital to finance its utility rate base at the lowest reasonable cost.

Rate Counsel also reserved its rights to take appropriate positions in future Board proceedings involving the Company, including any such proceeding currently pending before the Board.

### **DISCUSSION AND FINDINGS**

After careful review of this matter, the Board, having considered the record and exhibits submitted in this proceeding, **HEREBY FINDS**, pursuant to N.J.S.A. 48:3-9, that the proposed transactions are to be made in accordance with law and are in the public interest. The Board, approving the purposes thereof, **HEREBY ORDERS** that Petitioner be and is **HEREBY AUTHORIZED** to issue and sell, on a negotiated basis, without the requirement of a further Board Order as to pricing, up to 2.5 million shares of Common Stock, without par value, through one or more traditional underwriting offerings and/or through one or more ATM offerings.

This Order is subject to the following provisions:

1. The Company shall issue and sell up to 2.5 million shares of Common Stock to such underwriters (under the traditional underwriting method) as may be authorized under the underwriting agreement entered into by the Company with its broker-dealer at a mutually agreed upon price which will be based on the closing bid price on the Pricing Date.
2. The Company shall issue and sell up to 2.5 million shares of Common Stock, less any shares issued and sold through the traditional underwriting method, through such broker-dealers (under the ATM method) as may be authorized at a mutually agreed upon price which will be based on the closing bid price on the Pricing Date.

---

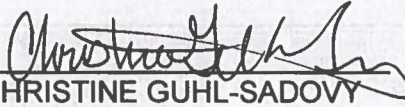
<sup>2</sup> In re the Application of Middlesex Water Company for Authority to Issue and Sell up to \$260.0 Million of Principal Amount Debt Securities, BPU Docket No. WF25050286 ("Debt Financing Petition").

3. In the event that the Company finds it appropriate to effect the issuance and sale of the Common Stock in a manner other than as described in the Order, the Company shall file with the Board as soon 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.
4. The Company shall, as soon as practicable after the issuance and sale of the Common Stock, submit to the Board a statement, which shall indicate the date of sale, the closing bid price on the Pricing Date, the price paid to the Company, the underwriter's spread, the broker-dealer fee and the net proceeds to the Company.
5. The Company shall, as soon as practicable after the issuance and sale of the Common Stock, submit to the Board a copy of the journal entries to record the issuance and sale of the Common Stock and the expenses related thereto in accordance with the appropriate Uniform System of Accounts.
6. The Company shall submit to the Board copies of an executed underwriting agreement or broker-dealer placement agency agreement and all other agreements as executed and filed with other regulatory agencies.
7. This Board's approval is expressly limited to the sale of the Company's Common Stock without par value described herein and as more fully described in the Petition and supporting documents.
8. 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.
9. This Order shall not be construed as a certification that the Common Stock authorized to be issued or sold will be represented by tangible or intangible assets of commensurate value or investment costs.
10. The authority granted by the Board in this docket is restricted to fund utility operations and investments only, not to fund affiliated entities.
11. The Company shall utilize a prudent and cost-effective capital structure and mix of capital to finance its utility rate base at the lowest reasonable cost. The Company should be obligated to issue its planned stock issuance at the lowest reasonable cost.
12. This Order shall not affect nor 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, services, financing (including the method of sale of securities), accounting, capitalization, depreciation or in any other matter affecting the Petitioner.
13. The authority granted in this Order is effective beginning January 1, 2026 and shall become null and void and of no effect with respect to any portion which is not exercised on or before December 31, 2028.

This Order shall become effective on October 2, 2025.

DATED: September 25, 2025

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:

  
SHERRIL L. LEWIS  
BOARD 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 APPLICATION OF MIDDLESEX WATER COMPANY FOR AUTHORITY TO ISSUE AND  
SELL UP TO 2.5 MILLION SHARES OF COMMON STOCK

DOCKET NO. WF25050285

SERVICE LIST

**Board of Public Utilities**

44 South Clinton Avenue, 1<sup>st</sup> Floor  
Trenton, NJ 08625-0350

Sherri L. Lewis, Board Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

**Counsel's Office**

Ava-Marie Madeam, General Counsel  
[avamarie.madeam@bpu.nj.gov](mailto:avamarie.madeam@bpu.nj.gov)

Elsbeth Faiman Hans, Deputy General Counsel  
[elsbeth.hans@bpu.nj.gov](mailto:elsbeth.hans@bpu.nj.gov)

Kit Burnette, Associate Counsel  
[kit.burnette@bpu.nj.gov](mailto:kit.burnette@bpu.nj.gov)

Ben Witherell, Ph.D., Chief Economist  
[ben.witherell@bpu.nj.gov](mailto:ben.witherell@bpu.nj.gov)

Christine Lin  
[christine.lin@bpu.nj.gov](mailto:christine.lin@bpu.nj.gov)

**Division of Law**

Richard J. Hughes Justice Complex  
25 Market Street, 7th Floor West  
P.O. Box 112  
Trenton, NJ 08625

Pamela Owen, Chief, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Meliha Arnautovic, DAG  
[meliha.arnautovic@law.njoag.gov](mailto:meliha.arnautovic@law.njoag.gov)

Terel Klein, DAG  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)

**Division of Rate Counsel**

140 East Front Street, 4th Floor  
PO Box 003  
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Susan McClure, Esq.  
[smcclure@rpa.nj.gov](mailto:smcclure@rpa.nj.gov)

Christine Juarez, Esq.  
[cjuarez@rpa.nj.gov](mailto:cjuarez@rpa.nj.gov)

Megan Lupo, Esq.  
[megan.lupo@rpa.nj.gov](mailto:megan.lupo@rpa.nj.gov)

Felecia Jackson-Rodgers  
[frodgers@rpa.nj.gov](mailto:frodgers@rpa.nj.gov)

**Rate Counsel Consultants**  
Larkin & Associates PLLC  
15728 Farmington Road  
Livonia, MI 48154

Ralph C. Smith  
[rsmithla@aol.com](mailto:rsmithla@aol.com)

Dawn Bisdorf  
[dawn.bisdorf@gmail.com](mailto:dawn.bisdorf@gmail.com)

Mark Dady  
[msdady@gmail.com](mailto:msdady@gmail.com)

Megan Cranston-Elias  
[mcranston29@gmail.com](mailto:mcranston29@gmail.com)

**Middlesex Water Company**

485C Route One South  
Suite 400  
Iselin, NJ 08830

Jay L. Kooper, Esq.  
[jkooper@middlesexwater.com](mailto:jkooper@middlesexwater.com)

Robert J. Capko  
[rcapko@middlesexwater.com](mailto:rcapko@middlesexwater.com)

Rally Zerhouni  
[rzerhouni@middlesexwater.com](mailto:rzerhouni@middlesexwater.com)

Nadine Leslie  
[nleslie@middlesexwater.com](mailto:nleslie@middlesexwater.com)

Michele Tilley  
[mtilley@middlesexwater.com](mailto:mtilley@middlesexwater.com)

Jennifer Ketschke  
[jketschke@middlesexwater.com](mailto:jketschke@middlesexwater.com)

Jenna Elsayid  
[jelsayid@middlesexwater.com](mailto:jelsayid@middlesexwater.com)

Maria Lynn  
[mlynn@middlesexwater.com](mailto:mlynn@middlesexwater.com)

Rosemarie Cardo  
[rcardo@middlesexwater.com](mailto:rcardo@middlesexwater.com)