



Agenda Date: 9/25/25

Agenda Item: VB

**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 ) ORDER AUTHORIZING  
MIDDLESEX WATER COMPANY FOR AUTHORITY TO ) ISSUANCE OF PRINCIPAL  
ISSUE AND SELL UP TO \$260.0 MILLION OF ) AMOUNT DEBT SECURITIES  
PRINCIPAL AMOUNT DEBT SECURITIES )  
) DOCKET NO. WF25050286

**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" or "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. 48:3-7 and 48:3-9 and N.J.A.C. 14:1-5.9, requesting authority to issue and sell up to \$260.0 million of principal amount debt securities ("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, Middlesex'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, replacements, and improvements to the Company's water system are necessary to ensure the continued provision of safe and reliable water service to its 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. Accordingly, by the Petition,

the Company sought Board approval to borrow up to an aggregate principal amount of \$260.0 million in one (1) or more negotiated transactions in the form of notes and/or first mortgage bonds through loans from the New Jersey State Revolving Fund ("NJSRF") Program, the New Jersey Economic Development Authority ("NJEDA"), private placement, and other financial institutions, as needed to fund portions of its Water for Tomorrow program. It is contemplated that the Company will issue debt securities in a series of one or more transaction offerings over a multi-year period to accommodate the Company construction timetable for the Water for Tomorrow program.

The Company state that it expects that the form of debt security that should result in the most competitively attractive terms and interest rates are first mortgage bonds issued by the Company. Because market conditions, investor requirements, and other factors may present more attractive financing terms at the time Middlesex is seeking to enter into a loan transaction, the Company will need the flexibility to issue the most appropriate form of debt security at the time of borrowing.

To evidence and secure the Company's obligation to repay the loans, the Company proposed to issue and deliver, in accordance with N.J.S.A. 48:3-7 and 48:3-9 and N.J.A.C. 14:1-5.9, up to \$260.0 million in the form of notes, first mortgage bonds, and/or other debt securities through loans from the NJSRF Program, the NJEDA, private placement and other financial institutions, as needed, with final maturity of each not to exceed forty (40) years from the date of issuance. Middlesex additionally requested Board authority to make, execute, and deliver contracts of purchase in connection with the debt issuances, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder, and to make, execute, and deliver, as necessary, one (1) or more Supplemental Indentures of Mortgage or other such securitization.

Middlesex submitted a concurrent petition to the Board for approval to issue and sell up to 2.5 million shares of common stock.<sup>1</sup>

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 recommended that the Board impose certain conditions upon the Company if the Board authorizes the issuance of debt and 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, and the comments of Rate Counsel and Board Staff, **HEREBY FINDS**, pursuant to N.J.S.A. 48:3-9, that the proposed transactions and actions proposed to be taken by Petitioner as indicated above are in accordance with law and in the public interest. The Board, approving of the purposes thereof, **HEREBY ORDERS** that Petitioner be and is **HEREBY AUTHORIZED** to:

- a) Borrow up \$260.0 million in loans from the NJSRF Program, the NJEDA, private placement, and other financial institutions as needed in one (1) or more negotiated

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<sup>1</sup> In re the Application of Middlesex Water Company for Authority to Issue and Sell up to 2.5 Million Shares of Common Stock, BPU Docket No. WF25050285 ("Common Stock Petition").

transactions, and to make, execute and deliver to the one (1) or more loan agreements therefor, and to make, execute and deliver to the placement agents one or more contracts of purchase in connection therewith, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder; and

- b) Make, execute and deliver such Supplemental Indentures of Mortgage to the Company's Indenture Trustee or other such securitization as needed.

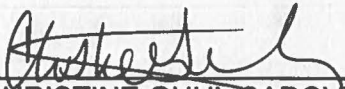
This Order is subject to the following provisions:

1. 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.
2. 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, service, financing (including method of sale of securities), accounting, capitalization, depreciation, or in any other matters affecting the Petitioner.
3. Beginning January 15, 2026, no later than January 15 of each year following the issuance of this Order, Petitioner shall submit a letter report to the Board Secretary and copy the Chief Economist detailing each debt issuance concluded in the prior year pursuant to the authorization contained in this Order. The last such letter report shall be filed no later than January 15, 2026. Each report must 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.
4. Petitioner shall furnish the Board with copies of the executed Supplemental Indentures of Mortgage.
5. The Bonds herein authorized to be issued shall not be redeemed at a premium, prior to maturity, without further Board approval.
6. The authority granted by the Board in this docket is restricted to fund utility operations and investments only, not to fund affiliated entities.
7. The Company shall issue its planned debt financing at the lowest reasonable cost.
8. 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.
9. The authority granted in this Order 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:   
SHERRI 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 \$260.0 MILLION OF PRINCIPAL AMOUNT DEBT SECURITIES

DOCKET NO. WF25050286

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