



February 25, 2020  
(Via E-Mail Due To COVID-19 State of Emergency)

Aida Camacho-Welch  
Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, NJ 08625-0350

In the Matter of the Application of Middlesex Water Company For Authority to Issue up to \$45.5 Million of First Mortgage Bonds and to Redeem Certain Outstanding First Mortgage Bonds  
BPU Docket No.: WF2102\_\_\_\_\_

Dear Secretary Camacho-Welch:

Enclosed herewith for filing please find Middlesex Water Company's Petition in the above-referenced matter.

This case may be summarized as a Petition for approval, pursuant to N.J.S.A. 48:3-7 and 48:3-9, and N.J.A.C. 14:1-5.9, to borrow up to \$45.5 million and in connection therewith cause the redemption of outstanding tax-exempt first mortgage bonds of \$45.5 million by issuing new first mortgage bonds.

Kindly stamp "filed" on the extra copy of the Petition enclosed herewith and please return it to us in the enclosed, stamped, self-addressed envelope.

Very truly yours,

A handwritten signature in black ink that reads 'Jay Kooper'.

Jay L. Kooper  
Vice President, General Counsel & Secretary

Enclosures

cc: Service List (w/enclosures via electronic mail)

**Middlesex Water Company – BPU Docket No. WF2102xxxx**  
**In the Matter of the Application of Middlesex Water Company For Authority To Issue Up**  
**To \$45.5 Million of First Mortgage Bonds and to Redeem Certain Outstanding First**  
**Mortgage Bonds**

**Middlesex Water Company**

<p>A. Bruce O'Connor  Middlesex Water Company  485C Route One South, Suite 400  Iselin, NJ 08830  732-638-7502 – Telephone  732-218-1126 – Fax  <a href="mailto:aboconnor@middlesexwater.com">aboconnor@middlesexwater.com</a></p>	<p>Jay L. Kooper, Esq.  Middlesex Water Company  485C Route One South, Suite 400  Iselin, NJ 08830  732-638-7506 – Telephone  732-218-1124 – Fax  <a href="mailto:jkooper@middlesexwater.com">jkooper@middlesexwater.com</a></p>	<p>Robert J. Capko  Middlesex Water Company  485C Route One South, Suite 400  Iselin, NJ 08830  732-638-7524 – Telephone  <a href="mailto:rcapko@middlesexwater.com">rcapko@middlesexwater.com</a></p>
<p>Selena Montero  Middlesex Water Company  485C Route One South, Suite 400  Iselin, NJ 08830  732-579-6827 – Telephone  732-638-7515 – Fax  <a href="mailto:smontero@middlesexwater.com">smontero@middlesexwater.com</a></p>	<p>Michele L. Tilley  Middlesex Water Company  485C Route One South, Suite 400  Iselin, NJ 08830  732-638-7676 – Telephone  732-638-7526 – Fax  <a href="mailto:mtilley@middlesexwater.com">mtilley@middlesexwater.com</a></p>	<p>Tracy Tyrell  Middlesex Water Company  485C Route One South, Suite 400  Iselin, NJ 08830  732-638- 7511 –Telephone  <a href="mailto:ttyrell@middlesexwater.com">ttyrell@middlesexwater.com</a></p>

**Board of Public Utilities**

<p>Christine Lin  Board of Public Utilities  44 South Clinton Avenue  9<sup>th</sup> Floor  Trenton, NJ 08865-0350  (609) 292-2951 - Telephone  <a href="mailto:Christine.lin@bpu.nj.gov">Christine.lin@bpu.nj.gov</a></p>	<p>Michael Kammer, Director  Board of Public Utilities  44 South Clinton Avenue  9<sup>th</sup> Floor  Trenton, NJ 08865-0350  <a href="mailto:Michael.kammer@bpu.nj.gov">Michael.kammer@bpu.nj.gov</a></p>	<p>Dr. Ben Witherell  Board of Public Utilities  44 South Clinton Avenue  9<sup>th</sup> Floor  Trenton, NJ 08865-0350  (609) 292-2637 – Telephone  (609) 292-3191 – Fax  <a href="mailto:Ben.witherell@bpu.nj.gov">Ben.witherell@bpu.nj.gov</a></p>
<p><b>Suzanne Patnaude</b>  Board of Public Utilities  44 South Clinton Avenue  PO Box 350  Trenton, NJ 08625-0350  <a href="mailto:Suzanne.Patnaude@bpu.nj.gov">Suzanne.Patnaude@bpu.nj.gov</a></p>		

**Division of Rate Counsel**

<p>Susan McClure, Esq.  Division of Rate Counsel  140 East Front Street – 4<sup>th</sup> Floor  PO Box 003  Trenton, NJ 08625  (609) 984-1460 – Telephone  <a href="mailto:smcclure@rpa.nj.gov">smcclure@rpa.nj.gov</a></p>	<p>Stefanie A. Brand, Esq.  Director  Division of Rate Counsel  140 East Front Street – 4<sup>th</sup> Floor  PO Box 003  Trenton, NJ 08625  (609) 984-1460 – Telephone  <a href="mailto:sbrand@rpa.nj.gov">sbrand@rpa.nj.gov</a></p>	<p>Marylin Silva  Legal Assistant  Division of Rate Counsel  140 East Front Street – 4<sup>th</sup> Floor  PO Box 003  Trenton, NJ 08625  (609) 984-1460 – Telephone  <a href="mailto:msilva@rpa.nj.gov">msilva@rpa.nj.gov</a></p>
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**Division of Law – Public Utilities Section**

<p><b>Melha Arnautovic, DAG</b> Division of Law Public Utilities Section R.J. Hughes Justice Complex 25 Market Street P.O. Box 112 Trenton, NJ 08625 <a href="mailto:Melha.Aranautovic@law.njoag.gov">Melha.Aranautovic@law.njoag.gov</a></p>	<p><b>Pamela Owen</b> Division of Law Public Utilities Section R.J. Hughes Justice Complex 25 Market Street Trenton, NJ 08625 <a href="mailto:Pamela.Owen@law.njoag.gov">Pamela.Owen@law.njoag.gov</a></p>	
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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE APPLICATION	:	
OF MIDDLESEX WATER COMPANY FOR	:	
AUTHORITY TO ISSUE UP TO \$45.5 MILLION	:	PETITION
OF FIRST MORTGAGE BONDS AND TO	:	Docket No.
REDEEM CERTAIN OUTSTANDING	:	WF2102_____
FIRST MORTGAGE BONDS	:	
	:	
	:	

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, MIDDLESEX WATER COMPANY (hereinafter referred to as “Petitioner”, “Middlesex”, or the “Company”), a corporation organized and existing under the laws of the State of New Jersey with its principal office located at 485C Route One South, Suite 400, Iselin, New Jersey 08830, states that:

1. Middlesex is a duly organized and existing public utility of the State of New Jersey, subject to the jurisdiction of the Board. 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. Middlesex also provides water treatment and pumping services to the Township of East Brunswick under contract. Middlesex recorded revenues of approximately \$84.2 million in 2020.

2. The Middlesex System’s retail customers are located in an area of approximately 55 square miles in Woodbridge Township, the City of South Amboy, the Boroughs of Metuchen and Carteret, portions of the Township of Edison and the Borough of South Plainfield in Middlesex County, and a portion of the Township of Clark in Union County. Retail customers include a mix of residential customers, large industrial concerns and commercial and light industrial facilities. These customers are located in generally well-developed areas of central New Jersey.

3. The contract customers of the Middlesex System comprise an area of approximately 146 square miles with a population of approximately 300,000. Contract sales to Edison, Old Bridge, Marlboro and Rahway are supplemental to the existing water systems of these customers. The Middlesex System provides treated surface water under long-term agreements to East Brunswick, Marlboro and Old Bridge.

4. Middlesex provides water service to approximately 300 customers in Cumberland County, New Jersey. This system is referred to as Bayview, and is not physically interconnected with the Middlesex System. The Company owns and operates water treatment, supply, transmission and distribution systems for these purposes.

5. As more specifically set forth below, the Company seeks Board approval, pursuant to N.J.S.A. 48:3-7 and 48:3-9 and N.J.A.C. 14:1-5.9, to borrow up to \$45.5 million and in connection therewith cause the redemption of outstanding tax-exempt first mortgage bonds of \$45.5 million by issuing new first mortgage bonds. The Company seeks further Board approval, related to N.J.A.C. 14:1-5.9, to redeem up to \$45.5 million aggregate principal amount of its outstanding first mortgage bonds, as more specifically set forth in Exhibit I.

6. Middlesex has identified two series of its outstanding first mortgage bonds (“Series RR” & “Series SS”) issued in 2012 (Collectively, the “Series 2012 Bonds”) through the New Jersey Economic Development NJEDA (the “NJEDA”) at then competitive and favorable interest rates. Current financial market conditions may provide additional lower costs for customers if the Series 2012 Bonds were to be refunded and new first mortgage bonds issued in their stead.

7. Middlesex intends to assess whether it is more advantageous to:
- a) Secure the issuance of up to \$45.5 million of NJEDA tax-exempt bonds in connection with the redemption, or;
  - b) Borrow up to \$45.5 million in a negotiated private placement transaction, from qualifying banks, other financial institutions, mutual funds, insurance companies and pension funds bonds in connection with the redemption, or;
  - c) Some combination of subsection 7a) and 7b).

8. Depending on the outcome of the assesement described in Paragraph 7, the Company proposes to borrow up to \$45.5 from the NJEDA, a public body corporate and politic constituting an instrumentality of the State of New Jersey.

9. To evidence and secure the NJEDA loan to the Company, the Company proposes, concurrently with the issuance and delivery by the NJEDA of its bonds (the "Bonds"), an equal principal amount of the Company's new first mortgage bonds (the "Company Bonds"), having interest rates, maturity dates and redemption provisions designed to service the Bonds. The Company expects that the interest on the Bonds will be exempt from taxation under Section 103 of the Internal Revenue Code of 1986, as amended, and that the NJEDA Bond Counsel will give such an opinion at closing.

10. The Company proposes that the NJEDA issue the Bonds through an underwriter or by a placement agent, in either case, at a price to be negotiated and requests the Board's approval for that proposal. Middlesex makes this request to support its need for flexibility in accessing the capital and credit markets under a range of market conditions while achieving the lowest attainable cost of financing, and has therefore requested authority, as appropriate market opportunities arise, to issue and/or sell the Bonds, as described above, in one or more negotiated transactions. Since the Bonds will be issued by the NJEDA by a process that assures the best price available for tax-exempt financing will be obtained and is subject to the scrutiny of the State through the NJEDA, the Company proposes that no further Board approval be required for the issuance of the Bonds issued by the NJEDA or the issuance of the Company Bonds to the NJEDA.

11. Depending on the outcome of the assesement described in Paragraph 7, the Company proposes to borrow up to \$45.5 million in a negotiated private placement transaction from qualifying banks, other financial institutions, mutual funds, insurance companies or pension funds bonds.

12. To evidence and secure the Company's obligation to repay the loans, the Company proposes 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 \$45.5 million in the form of notes, first mortgage bonds and/or other debt securities through a negotiated, private placement with one or more qualifying banks, other financial institutions, mutual funds, insurance companies and/or pension funds, as needed.

13. Therefore, the Company specifically petitions the Board for approval and authority:

(a) To borrow up to an aggregate principal amount of \$45.5 million and to make, execute and deliver to the NJEDA and/or private placement agent Supplemental Loan Agreement(s) therefor and to make, execute and deliver to the NJEDA and/or private placement agent and/or the underwriter or placement agent Contract(s) of Purchase in connection therewith, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder;

(b) To make, execute and deliver, if necessary, such Supplemental Indenture(s) of Mortgage (“Supplemental Indentures”) to the Company’s Indenture Trustee, for purpose among other things, of issuing and describing the terms and conditions of any first mortgage bonds issued in connection with borrowings under this Petition. Such Supplemental Indentures will, among other things, create and provide for the issuance of the various series of first mortgage bonds to be next designated under an Indenture of Mortgage, dated April 1, 1927, between the Company and United Counties Trust Company, as Trustee; as heretofore supplemented by a series of supplemental indentures issued, the first one dated as of October 1, 1939; the most recent one (Fifty-Fourth Supplemental Indenture) dated as of November 1, 2020; and

(c) To issue up to \$45.5 million principal amount of the Company Bonds. Each series of bonds is to bear interest at a rate to be determined based upon the negotiated offering rate for the Bonds; and are to be secured equally and ratably with the Company’s Bonds by the aforesaid Indentures of Mortgage, as supplemented, all without further Order of the Board; and

(d) Approval of a negotiated offering.

14. The Company proposes to use the proceeds of the sale of the Company Bonds for the redemption and refunding of its outstanding Series 2012 Bonds as set forth in Exhibit I.

15. With respect to the redemption of outstanding Series 2012 Bonds, the Company proposes to redeem and refund its Series 2012 Bonds designated as set forth in Exhibit I. The principal amount, interest rate, date of issue, date of maturity, date of Board Order approving issuance and redemption premium of such Series 2012 Bonds is set forth in Exhibit I annexed hereto.

16. Provisions for the redemption of such Series 2012 Bonds, including required redemption date, notice provisions, and any redemption premium, are set forth in the Supplemental Indentures and form of Company Bonds related to each specific series. A copy of the applicable provisions is enclosed as Exhibit J thereto.

17. To effectuate the redemption of the Series 2012 Bonds, the Company intends to use the proceeds of the issuance of the Company Bonds described above. By retiring the existing bonds in this matter the Company anticipates a savings over the otherwise life of the Series 2012 Bonds. An illustration of such savings is set forth in Exhibit L annexed hereto. This Exhibit indicates the issuance costs related to the redemptions and the cost of issuing the long-term debt which replaces the redeemed Series 2012 Bonds. Therefore, the redemption effectively reduces Middlesex's fixed charges creating a clear benefit to its ratepayers.

18. A copy of a typical form of notice to be sent to bond holders by the Company is annexed hereto as Exhibit K.

19. As of December 31, 2020 the Company has outstanding shares of Common Stock of 40,000,000 shares authorized by its Restated Certificate of Incorporation. As of such date, it has of Preferred Stock, in four series, outstanding of shares authorized by its Restated Certificate of Incorporation. The book value of the Company's Common Stock as of December 31, 2020 was \$19.13 per share. The closing market price on December 31, 2020 was \$72.47 per share.

20. As of December 31, 2020, the capital stock of the Company is shown on Exhibit C annexed hereto. The preferences and other characteristics of the Preferred Stock are also set forth in Exhibit C annexed hereto. Dividends paid upon the capital stock of the Company are shown on Exhibit D annexed hereto.

21. The principal amount of the Company's long-term indebtedness is set forth in Exhibit C annexed hereto. The Company had no other indebtedness at December 31, 2020 except as set forth in Exhibit A annexed hereto.

22. No franchise or right is proposed to be capitalized directly or indirectly in connection with the proposed transaction.

23. Except for the relief sought in this Petition, no other regulatory approvals are necessary in order to accomplish the proposed transaction.



24. The Company's Common Stock is traded on the NASDAQ Global Select Market. The Company's current transfer agent is Broadridge Corporate Issuer Solutions, Inc., headquartered in Philadelphia, Pennsylvania.

25. Submitted herewith and made a part of this Petition are the following exhibits (including those exhibits previously referenced herein):

- Exhibit A - Balance Sheet at December 31, 2020.
- Exhibit B - Statement of Income  
Twelve Months Ended December 31, 2020.
- Exhibit C - Statement of Capital Stock and Long-Term  
Debt, December 31, 2020.
- Exhibit D - Statement of Cash Flows  
Twelve Months Ended December 31, 2020.
- Exhibit E - Interest Charged to Income Upon Each Kind  
of Indebtedness and Rate Thereon,  
Twelve Months Ended December 31, 2020.
- Exhibit F - Forms of Resolutions of  
the Company's Board of Directors.
- Exhibit G - Proposed Form of Order.
- Exhibit H - Proposed Timetable.
- Exhibit I - Bonds To Be Redeemed: principal amounts, interest rates,  
dates of issuance, maturity, Board Order, supplemental  
indenture.
- Exhibit J - Indenture Provisions Concerning Redemption.
- Exhibit K - Form of Notice To Bondholders.
- Exhibit L - Illustration of Benefit of Redemption.

26. All correspondence in the case should be addressed to:

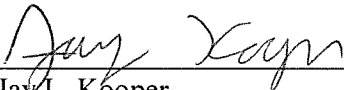
Jay L. Kooper  
Vice President, General Counsel & Secretary  
Middlesex Water Company  
485C Route One South, Suite 400  
Iselin, New Jersey 08830

WHEREFORE, Petitioner respectfully requests that the Board approve and authorize Petitioner to:

- a. Borrow up to \$45.5 million from and make, execute and deliver to the such loan agreements therefor and to make, execute and deliver to the NJEDA and/or private placement agent as may be selected by negotiation, such contracts of purchase in connection therewith; and
- b. Make, execute and deliver, if necessary, such Supplemental Indentures of Mortgage to the Company's Indenture Trustee or other such securitization as needed; and
- c. Obtain the relief requested in subparagraphs (a) through (b) of this section herein without the requirement of a further Board Order as to pricing; and
- d. Obtain such other relief as the Board determines is just and proper.

Respectfully submitted,

MIDDLESEX WATER COMPANY

By:   
Jay L. Kooper  
Vice President, General Counsel & Secretary

Dated: February 25, 2021

STATE OF NEW JERSEY:


SS:

COUNTY OF MIDDLESEX:

A. BRUCE O'CONNOR, being duly sworn according to law upon his oath, deposes and says that he is the Senior Vice President, Treasurer and Chief Financial Officer of Middlesex Water Company; that he has read the foregoing Petition and knows the contents thereof; that the facts therein stated and the allegations therein contained are true to the best of his knowledge and belief; that it is the intention of the said Middlesex Water Company in good faith to use the proceeds of the securities sought to be issued by it as set forth in the foregoing Petition for the purposes therein stated; that he is familiar with the finances of Middlesex Water Company and with the present market for securities; and that in his opinion the terms and conditions of the proposed transaction are fair and reasonable to the Company.

  
A. Bruce O'Connor

Sworn and subscribed to  
before me this 25<sup>th</sup> day  
of February, 2021.

  
\_\_\_\_\_  
(Notary)

SELENA MONTERO  
NOTARY PUBLIC OF NEW JERSEY  
Comm. # 50095002  
My Commission Expires 12/28/2023

**Exhibit A****MIDDLESEX WATER COMPANY  
BALANCE SHEET**ASSETS

	<u>December 31, 2020</u>
UTILITY PLANT:	
Utility Plant in Service	\$ 593,254,643
Construction Work in Progress	<u>73,949,920</u>
TOTAL	\$ 667,204,562
Less Accumulated Depreciation	<u>144,611,229</u>
UTILITY PLANT NET	<u>\$ 522,593,333</u>
Non-Utility Property - Net	45,018
Other Investment	3,952,415
Investment in Subsidiary	86,162,019
CURRENT ASSETS:	
Cash and Cash Equivalents	1,893,300
Accounts Receivable	15,143,054
Materials and Supplies (at average cost)	4,477,405
Prepayments	2,170,510
Notes Receivable - Intercompany	22,850,002
Accrued Unbilled Revenues	<u>4,818,580</u>
TOTAL CURRENT ASSETS	<u>\$ 51,352,850</u>
DEFERRED DEBITS:	
Unamortized Debt Expense	4,104,709
Leased Assets	5,208,637
Regulatory Assets	114,574,592
Preliminary Survey & Investigation Charges	3,876,815
Other Deferred Debits	66,279
Restricted Cash	<u>5,913,431</u>
TOTAL DEFERRED DEBITS	<u>\$ 133,744,462</u>
TOTAL ASSETS	<u><u>\$ 797,850,098</u></u>

**Exhibit A****MIDDLESEX WATER COMPANY  
BALANCE SHEET****CAPITALIZATION AND LIABILITIES**

	<u>December 31, 2020</u>
<b>CAPITALIZATION:</b>	
Common Equity:	
Common Stock	\$ 217,450,804
Retained Earnings	<u>128,756,601</u>
<b>TOTAL COMMON EQUITY</b>	<b>\$ 346,207,405</b>
Cumulative Preferred Stock	2,083,565
Long Term Debt	<u>242,531,667</u>
<b>TOTAL CAPITALIZATION</b>	<b>\$ 590,822,637</b>
<b>CURRENT LIABILITIES:</b>	
Current Portion of Long Term Debt	3,350,193
Accounts Payable	25,350,923
Customer Deposits	79,254
Accrued Taxes	10,045,687
Accrued Interest	1,929,489
Dividends Declared	29,999
Other Current Liabilities	<u>2,410,685</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 43,196,229</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES:</b>	
<b>DEFERRED CREDITS:</b>	
Customer Advances for Construction	2,767,552
Lease Obligations	5,041,925
Accumulated Deferred Investment Tax Credits	444,617
Accumulated Deferred Federal Income Taxes	60,534,803
Postretirement Costs	7,883,975
Employee Pension Benefits	26,541,925
Regulatory Liabilities	40,180,029
Other Deferred Credits	<u>910,300</u>
<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 144,305,125</b>
Injuries and Damages Reserve	46,982
Contributions in Aid of Construction	<u>19,479,124</u>
<b>TOTAL LIABILITIES &amp; CAPITALIZATION</b>	<b>\$ 797,850,098</b>

**Exhibit B**

MIDDLESEX WATER COMPANY  
STATEMENT OF INCOME  
TWELVE MONTHS ENDED DECEMBER 31, 2020

OPERATING REVENUES	\$ <u>84,181,704</u>
OPERATIONS:	
Operations & Maintenance	42,042,547
Depreciation and Amortization	13,233,277
Taxes, other than Income Taxes	13,271,428
Federal Income Taxes	<u>(9,391,047)</u>
TOTAL OPERATING EXPENSES	<u>\$ 59,156,205</u>
OPERATING INCOME	<u>\$ 25,025,499</u>
OTHER INCOME/(EXPENSE):	
Allowance for Funds Used During Construction - Equity	2,207,524
Other - net	<u>15,129,911</u>
INCOME BEFORE INTEREST CHARGES	<u>\$ 42,362,934</u>
INTEREST CHARGES:	
Interest on Long-term Debt	5,337,005
Amortization of Debt Expense	(186,606)
Allowance for Funds Used During Construction - Debt	(1,353,728)
Other Interest Charges	<u>141,137</u>
TOTAL INTEREST CHARGES	<u>\$ 3,937,808</u>
NET INCOME	\$ 38,425,126
Preferred Stock Dividend Requirements	<u>120,000</u>
Earnings Applicable to Common Stock	<u>\$ 38,305,126</u>
Earning per Share	\$ 2.19
Average Number of Shares Outstanding	17,459,040

Exhibit C

MIDDLESEX WATER COMPANY  
STATEMENT OF CAPITAL STOCK AND LONG-TERM DEBT

December 31, 2020

CAPITALIZATION:

Common Stock, No Par Value	
Shares Authorized - 40,000,000	
Shares Outstanding - 17,473,572	
TOTAL COMMON STOCK	\$ 217,450,804

Cumulative Preferred Stock, No Par Value

Shares Authorized - 119,956	
Shares Outstanding - 20,357	
Convertible:	
Shares Outstanding, \$7.00 Series - 9,573	1,005,165
Nonredeemable:	
Shares Outstanding, \$7.00 Series - 784	78,400
Shares Outstanding, \$4.75 Series - 10,000	1,000,000
TOTAL CUMULATIVE PREFERRED STOCK	\$ 2,083,565

Long-term Debt:

First Mortgage Bonds:

0.00%, State Revolving Fund Bond, due August 1, 2021	\$ 10,740
0.00%, Series BB, due August 1, 2021	119,138
4.00% to 5.00%, Series CC, due August 1, 2021	163,756
0.00%, Series EE, due August 1, 2023	1,036,365
3.00% to 5.50%, Series FF, due August 1, 2024	1,870,000
0.00%, Series GG, due August 1, 2026	541,647
4.00% to 5.00%, Series HH, due August 1, 2026	620,000
0.00%, Series II, due August 1, 2024	338,049
3.40% to 5.00%, Series JJ, due August 1, 2027	500,000
0.00%, Series KK, due August 1, 2028	718,862
5.00% to 5.50%, Series LL, due August 1, 2028	846,000
0.00%, Series MM, due August 1, 2030	936,626
3.00% to 4.375%, Series NN, due August 1, 2030	1,105,000
0.00%, Series OO, due August 1, 2031	1,655,593
2.00% to 5.00%, Series PP, due August 1, 2031	600,000
5.00%, Series QQ, due October 1, 2023	9,915,000
3.80%, Series RR, due October 1, 2038	22,500,000
4.25%, Series SS, due October 1, 2047	23,000,000
0.00%, Series TT, due August 1, 2032	1,806,102
3.00% to 3.25%, Series UU, due August 1, 2032	705,000
0.00%, Series VV, due August 1, 2033	1,860,931
3.00% to 5.00%, Series WW, due August 1, 2033	715,000
0.00%, Series XX, due August 1, 2047	10,247,113
3.00% to 5.00%, Series YY, due August 1, 2047	3,710,000
0.00%, Series 2018A, due August 1, 2047	6,246,274
3.00% to 5.00%, Series 2018B, due August 1, 2047	2,210,557
4% Series 2019A, due August 1, 2059	32,500,000
5% Series 2019B, due August 1, 2059	21,200,000
2.90% Series 2020A, due 11/18/2050	40,000,000
0.00% Construction Loans	50,536,304
SUBTOTAL LONG-TERM DEBT	238,214,057

Add: Premium on Issuance of Long-term Debt	7,667,803
Less: Current Portion of Long-term Debt	(3,350,193)
TOTAL LONG-TERM DEBT	\$ 242,531,667

**MIDDLESEX WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
**TWELVE MONTHS ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income	\$ 38,425,126
Adjustments to Reconcile Net Income to	
Net Cash Provided by Operating Activities:	
Depreciation and Amortization	15,409,079
Provision for Deferred Income Taxes	(10,723,411)
Equity Portion of AFUDC	(2,207,524)
Changes in Operating Assets and Liabilities	5,112,573
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>46,015,844</b>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Utility Plant Expenditures	(86,364,143)
Notes Receivable - Intercompany	(18,498,774)
Preliminary Survey and Investigation Charges	(2,611,614)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(107,474,532)</b>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Redemption of Long Term Debt	(3,401,996)
Proceeds from the Issuance of Long Term Debt	50,045,954
Short-term Bank Borrowings (Net)	(5,000,000)
Deferred Debt Issuance Expenses	(141,016)
Common Stock Issuance Expenses	(36,685)
Proceeds from Issuance of Common Stock	1,236,879
Payment of Common Dividends	(18,178,395)
Payment of Preferred Dividends	(120,000)
Customer Advances & Contributions-Net	294,070
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>24,698,811</b>
<b>NET CHANGES IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(36,759,877)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD</b>	<b>44,566,608</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD</b>	<b>7,806,731</b>



**Exhibit E**

MIDDLESEX WATER COMPANY  
 INTEREST CHARGED TO INCOME  
 UPON EACH KIND OF INDEBTEDNESS AND RATE THEREON  
 TWELVE MONTHS ENDED DECEMBER 31, 2020

<u>INTEREST ON LONG-TERM DEBT</u>	<u>% RATE</u>	<u>\$ AMOUNT</u>
First Mortgage Bonds:		
State Revolving Trust Bond, due August 1, 2021	4.00%-5.00%	(2,852)
State Revolving Fund Bond, due August 1, 2021	0.00%	-
Series BB, due August 1, 2021	0.00%	-
Series CC, due August 1, 2021	4.00%-5.00%	(12,614)
Series EE, due August 1, 2023	0.00%	-
Series FF, due August 1, 2024	3.00%-5.50%	91,304
Series GG, due August 1, 2026	0.00%	-
Series HH, due August 1, 2026	4.00%-5.00%	32,910
Series II, due August 1, 2024	0.00%	-
Series JJ, due August 1, 2027	3.40%-5.00%	27,204
Series KK, due August 1, 2028	0.00%	-
Series LL, due August 1, 2028	5.00%-5.50%	42,912
Series MM, due August 1, 2030	0.00%	-
Series NN, due August 1, 2030	3.00%-4.375%	45,883
Series OO, due August 1, 2031	0.00%	-
Series PP, due August 1, 2031	2.00%-5.00%	17,459
Series QQ, due October 1, 2023	5.00%	495,750
Series RR, due October 1, 2038	3.80%	855,000
Series SS, due October 1, 2047	4.25%	977,500
Series TT, due August 1, 2032	0.00%	-
Series UU, due August 1, 2032	3.00%-3.25%	22,565
Series VV, due August 1, 2033	0.00%	-
Series WW, due August 1, 2033	3.00%-5.00%	29,148
Series XX, due August 1, 2047	0.00%	-
Series YY, due August 1, 2047	3.00%-5.00%	127,527
Series 2018A, due August 1, 2047	0.00%	-
Series 2018B, due August 1, 2047	3.00%-5.00%	91,976
Series 2019A, due August 1, 2059	4.00%	1,300,000
Series 2019B, due August 1, 2059	5.00%	1,060,000
Series 2020, due November 18, 2050	2.90%	135,333
Construction Loans	0.00%	-
		5,337,005
 <u>OTHER INTEREST EXPENSE</u>		
Interest on Short-Debt		127,593
Other Interest		13,544
		141,137
 TOTAL INTEREST CHARGED TO INCOME UPON INDEBTEDNESS		5,478,141

Middlesex Water Company  
Board of Directors  
February 11, 2021

**RESOLUTION**

Following a full and thorough discussion, on motion duly made and seconded, the following resolutions were adopted by the Board of Directors of Middlesex Water Company:

RESOLVED, that subject to the provisions of the First Mortgage Bonds, Series RR, the Company is hereby authorized to redeem, prior to maturity, the principal amount of not more than \$22,500,000 of such First Mortgage Bonds; and

RESOLVED, that subject to the provisions of the First Mortgage Bonds, Series SS, the Company is hereby authorized to redeem, prior to maturity, the principal amount of not more than \$23,000,000 of such First Mortgage Bonds; and

RESOLVED, that the proper Officers of the Company be, and they hereby are, authorized and directed to issue one or more Series of the Company's First Mortgage Bonds to fund the proposed redemptions of Series RR up to the sum of \$22,500,000; and

RESOLVED, that the proper Officers of the Company be, and they hereby are, authorized and directed to issue one or more Series of the Company's First Mortgage Bonds to fund the proposed redemptions of Series SS up to the sum of \$23,000,000; and

RESOLVED, that the Company through its proper Officers be, and it is hereby authorized and directed to file with the New Jersey Board of Public Utilities (BPU) a Petition for approval of such transactions by the BPU in order to accomplish such purposes; and

RESOLVED, that in addition to filing a Petition with the BPU, the Company is hereby authorized and directed to retain outside legal counsel and select an underwriter to manage and place the First Mortgage Bonds to be issued in connection with such transaction and to take such other steps and requirements, including but not limited to, publishing the required notice of the redemptions to the holders of the First Mortgage Bonds, Series RR and Series SS, or issue and deliver up to \$45,500,000 in the form of notes, first mortgage bonds and/or other debt securities through a negotiated private placement with one or more insurance companies and/or one or more financial institutions, as needed; and

RESOLVED, that the proper Officers of the Company be, and they hereby are, authorized and directed to do any and all things necessary or advisable to carry out and fully perform the obligations of the Company arising out of or in connection with such transactions.

I hereby certify that the foregoing is a true copy of Resolutions adopted by the Board of Directors of Middlesex Water Company on February 11, 2021.

A handwritten signature in cursive script that reads "Jay Kooper".

---

Jay L. Kooper  
Secretary

IN THE MATTER OF THE APPLICATION	)	
OF MIDDLESEX WATER COMPANY FOR	)	
AUTHORITY TO ISSUE UP TO	)	<u>ORDER OF APPROVAL</u>
\$45.5 MILLION OF FIRST MORTGAGE BONDS	)	
AND TO REDEEM CERTAIN OUTSTANDING	)	DOCKET NO. WF2102_____
FIRST MORTGAGE BONDS	)	

Jay L. Kooper, Esq., Vice President, General Counsel & Secretary,  
Middlesex Water Company

Stefanie A. Brand, Esq., Director,  
New Jersey Division of Rate Counsel

BY THE BOARD:

Middlesex Water Company (“Middlesex” or “Petitioner” or “the Company”), a public utility of the State of New Jersey, by petition filed with the Board of Public Utilities (“Board”) February \_\_, 2021, pursuant to N.J.S.A. 48:3-7, 48:3-9 and N.J.A.C. 14:1-5.9, requests authority:

- a) To borrow up to an aggregate principal amount of \$45.5 million and to make, execute and deliver to the New Jersey Economic Development Authority (“NJEDA” or “Authority”) and/or private placement agent Supplemental Loan Agreement(s) therefor and to make, execute and deliver to the NJEDA and/or private placement agent and/or the underwriter or placement agent Contract(s) of Purchase in connection therewith, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder; and
- b) To make, execute and deliver, if necessary, such Supplemental Indenture(s) of Mortgage (“Supplemental Indentures”) to the Company’s Indenture Trustee, for purpose among other things, of issuing and describing the terms and conditions of any first mortgage bonds (the “Company Bonds”) issued in connection with borrowings under this Petition. Such Supplemental Indentures will, among other things, create and provide for the issuance of the various series of Company Bonds to be next designated under an Indenture of Mortgage, dated April 1, 1927, between the Company and United Counties Trust Company, as Trustee; as heretofore supplemented by a series of supplemental indentures issued, the first one dated as of October 1, 1939; the most recent one (Fifty-Fourth Supplemental Indenture) dated as of November 1, 2020; and
- c) To issue up to \$45.5 million principal amount of the Company Bonds. Each series of Company Bonds is to bear interest at a rate to be determined based upon the negotiated offering rate for the NJEDA Bonds and/or the private placement of the borrowing; and are to be secured equally and ratably with the Company’s Bonds by the aforesaid Indentures of Mortgage, as supplemented, all without further Order of the Board; and
- d) Approval of a negotiated offering or placement.

Middlesex has identified two series of its outstanding first mortgage bonds (“Series RR” & “Series SS”) issued in 2012 (Collectively, the “Series 2012 Bonds”) through the NJEDA at then competitive and favorable interest rates. Current financial market conditions may provide additional lower costs for customers if the Series 2012 Bonds were to be refunded and new first mortgage bonds issued in their stead.

Middlesex intends to assess whether it is more advantageous to: (a) secure the issuance of up to \$45.5 million of NJEDA tax-exempt bonds in connection with the redemption, or; (b) borrow up to \$45.5 million in a negotiated private placement transaction, from qualifying banks, other financial institutions, mutual funds, insurance companies and pension funds bonds in connection with the redemption; or: (c) some combination of (a) or (b) above.

Therefore, depending on the outcome of this assessment, the Company proposes to borrow up to \$45.5 million from the Authority and/or a private placement agent and in connection therewith cause the redemption of outstanding tax-exempt first mortgage bonds of \$45.5 million by issuing new first mortgage bonds. The Company seeks further Board approval, related to N.J.A.C. 14:1-5.9, to redeem up to \$45.5 million aggregate principal amount of its outstanding first mortgage bonds.

As to a borrowing from the Authority - To evidence and secure the NJEDA loan to the Company, the Company proposes, concurrently with the issuance and delivery by the NJEDA of its bonds (the “NJEDA Bonds”), an equal principal amount of the Company’s new first mortgage bonds (the “Company Bonds”), having interest rates, maturity dates and redemption provisions designed to service the NJEDA Bonds. The Company expects that the interest on the NJEDA Bonds will be exempt from taxation under Section 103 of the Internal Revenue Code of 1986, as amended, and that the NJEDA Bond Counsel will give such an opinion at closing.

The Company proposes that the NJEDA issue the NJEDA Bonds through an underwriter or by a placement agent, in either case, at a price to be negotiated and requests the Board’s approval for that proposal. Middlesex makes this request to support its need for flexibility in accessing the capital and credit markets under a range of market conditions while achieving the lowest attainable cost of financing, and has therefore requested authority, as appropriate market opportunities arise, to issue and/or sell the NJEDA Bonds, as described above, in one or more negotiated transactions. Since the NJEDA Bonds will be issued by the NJEDA by a process that assures the best price available for tax-exempt financing will be obtained and is subject to the scrutiny of the State through the NJEDA, the Company proposes that no further Board approval be required for the issuance of the NJEDA Bonds or the issuance of the Company Bonds to the NJEDA.

Depending on the outcome of the Company’s assessment, the Company proposes to borrow up to \$45.5 million in a negotiated private placement transaction from qualifying banks, other financial institutions, mutual funds, insurance companies or pension funds bonds.

As to a borrowing from a private placement transaction - To evidence and secure the Company’s obligation to repay the loans, the Company proposes 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 \$45.5 million in the form of notes, first mortgage bonds

and/or other debt securities through a negotiated, private placement with one or more qualifying banks, other financial institutions, mutual funds, insurance companies and/or pension funds, as needed.

The Board, after investigation, having considered the record and exhibits submitted in this proceeding, being satisfied with the action proposed to be taken by Petitioner as indicated above and finding that the proposed transactions are to be made in accordance with law, are in the public interest, and approving the purposes thereof, HEREBY ORDERS that Petitioner be and is HEREBY AUTHORIZED to:

- a) Borrow up to \$45.5 million from and make, execute and deliver to the such loan agreements therefor and to make, execute and deliver to the NJEDA and/or private placement agent as may be selected by negotiation, such contracts of purchase in connection therewith; and
- b) Make, execute and deliver, if necessary, such Supplemental Indentures of Mortgage to the Company's Indenture Trustee or other such securitization as needed; and
- c) Obtain the relief requested in subparagraphs (a) through (b) of this section herein without the requirement of a further Board Order as to pricing; and
- d) Obtain such other relief as the Board determines is just and proper.

This Order is issued 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) Petitioner shall submit a schedule indicating complete details of the issuance costs no later than sixty (60) days following the closing date for these transactions.
- 4) Petitioner shall furnish the Board with copies of the executed Supplemental Indentures.
- 5) The Company Bonds herein authorized to be issued shall not be redeemed at a premium, prior to maturity, without further Board approval.
- 6) 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, 2023.

Dated:

Board of Public Utilities

By:

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Joseph L. Fiordaliso  
President

---

Mary-Anna Holden  
Commissioner

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Dianne Solomon  
Commissioner

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Upendra J. Chivukula  
Commissioner

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Robert M. Gordon  
Commissioner

Attest:

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Aida Camacho- Welch  
Board Secretary

IN THE MATTER OF THE APPLICATION OF MIDDLESEX WATER COMPANY FOR  
AUTHORITY TO ISSUE UP TO \$45.5 MILLION OF FIRST MORTGAGE BONDS AND TO  
REDEEM CERTAIN OUTSTANDING FIRST MORTGAGE BONDS

*Proposed Timetable*

*To Issue Debt Through the New Jersey Economic Development Authority (NJEDA)*

**Month One** - Middlesex files a debt financing petition with the New Jersey Board of Public Utilities (NJBPU). Middlesex initiates discussions and negotiations with potential underwriters and placement agents. Middlesex submits completed NJEDA loan application. NJEDA loan officer representative assigned to review application. Tentative acknowledgement that application is complete and proper.

**Month Four** – NJBPU issues Order approving petition to issue long-term debt through the NJEDA. Middlesex selects underwriters for bid list or agent for bond placement. Middlesex submits copy of Order to NJEDA loan officer.

**Month Five/Six** – Depending on NJEDA Board meeting schedule for loan approvals, Middlesex receives loan approval.

**Month Six/Seven** – Middlesex issue bid packages to list of qualified underwriters or negotiates a market based interest rate with placement agent.

*Proposed Timetable*

*To Issue Debt Through the Private Placement Market*

**Month One** - Middlesex files a debt financing petition with the NJBPU. Middlesex initiates discussions and qualification procedures with banks, other financial institutions, mutual funds, insurance companies and/or pension funds (collectively, Qualified Investors).

**Month Four** – NJBPU issues Order approving petition to issue long-term debt through the private placement market. Middlesex invites Qualified Investors to submit pricing term sheet that includes all the financial elements to develop alternative debt interest rate based on the maturity date of borrowing.



MIDDLESEX WATER COMPANY  
 SCHEDULE OF NJEDA FIRST MORTGAGE BONDS TO BE REFUNDED

First Mortgage Bonds	CUSIP	Amount	Coupon Rate	Original Dated	Maturity Date	BPU Order Number	BPU Order Date
2012-B (Series RR)	645780FF9	\$ 22,500,000	3.80%	11/27/2012	10/1/2038	WF12080731	9/13/2012
2012-C (Series SS)	645780FG7	\$ 23,000,000	4.25%	11/27/2012	10/1/2047	WF12080731	9/13/2012

## MIDDLESEX WATER COMPANY

NO. R-1

\$22,500,000

NON-NEGOTIABLE  
FIRST MORTGAGE 3.80% BOND,  
SERIES RR, DUE OCTOBER 1, 2038

Dated Date: November 27, 2012

MIDDLESEX WATER COMPANY, a corporation organized and existing under the laws of the State of New Jersey (hereinafter called the "Water Company"), for value received, hereby promises to pay to Deutsche Bank National Trust Company (the "Authority's Trustee"), as Trustee to the New Jersey Economic Development Authority (the "Authority"), or registered assigns on the first day of October, 2038 at the office of U.S. BANK NATIONAL ASSOCIATION in the Town of Morristown, State of New Jersey, Trustee under the Mortgage and Supplemental Indentures hereinafter mentioned, or its successor as such Trustee, the sum of Twenty Two Million Five Hundred Thousand Dollars \$22,500,000, in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, which payment shall be made on the business day prior to October 1, 2038, and to pay interest thereon from the Dated Date referenced above at the rate of three and eight tenths percent (3.80%) per annum, computed on the basis of a 360-day year composed of twelve 30-day months in like coin or currency, on the business day prior to April 1 and October 1 in each year, commencing on the business day prior to April 1, 2013, until Water Company's obligation with respect to the payment of such principal shall be discharged.

This Bond is the sole Bond of a duly authorized issue of non-negotiable bonds of Water Company known as its First Mortgage 3.80% Bonds, Series RR (hereinafter called the "Series RR Bond"), of the principal amount of \$22,500,000 issued and secured (together with all other bonds of the Water Company (hereinafter called "Bonds") under the Mortgage and Supplemental Indentures (as hereinafter defined), by an Indenture of Mortgage dated April 1, 1927 (hereinafter called the "Mortgage"), a Second Supplemental Indenture dated as of October 1, 1939 (hereinafter called the "Second Supplemental Indenture"), a Third Supplemental Indenture dated as of April 1, 1946 (hereinafter called the "Third Supplemental Indenture"), a Fourth Supplemental Indenture dated as of April 1, 1949 (hereinafter called the "Fourth Supplemental Indenture"), a Fifth Supplemental Indenture dated as of February 1, 1955 (hereinafter called the "Fifth Supplemental Indenture"), a Sixth Supplemental Indenture dated as of December 1, 1959 (hereinafter called the "Sixth Supplemental Indenture"), a Seventh Supplemental Indenture dated as of January 15, 1963 (hereinafter called the "Seventh Supplemental Indenture"), an Eighth Supplemental Indenture dated as of July 1, 1964 (hereinafter called the "Eighth Supplemental Indenture"), a Ninth Supplemental Indenture dated as of June 1, 1965 (hereinafter called the "Ninth Supplemental Indenture"), a Tenth Supplemental Indenture dated as of February 1, 1968 (hereinafter called the "Tenth Supplemental Indenture"), an Eleventh Supplemental Indenture dated as of December 1, 1968 (hereinafter called the "Eleventh Supplemental Indenture"), a Twelfth Supplemental Indenture

dated as of December 1, 1970 (hereinafter called the "Twelfth Supplemental Indenture"), a Thirteenth Supplemental Indenture dated as of December 1, 1972 (hereinafter called the "Thirteenth Supplemental Indenture"), a Fourteenth Supplemental Indenture dated as of April 1, 1979 (hereinafter called the "Fourteenth Supplemental Indenture"), a Fifteenth Supplemental Indenture dated as of April 1, 1983 (hereinafter called the "Fifteenth Supplemental Indenture"), a Sixteenth Supplemental Indenture dated as of August 1, 1988 (hereinafter called the "Sixteenth Supplemental Indenture"), a Seventeenth Supplemental Indenture dated as of June 15, 1991 (hereinafter called the "Seventeenth Supplemental Indenture"), a Supplementary Indenture to the Fifteenth Supplemental Indenture dated as of March 1, 1993 (hereinafter called the "Supplementary Indenture"), an Eighteenth Supplemental Indenture dated as of September 1, 1993 (hereinafter called the "Eighteenth Supplemental Indenture"), a Nineteenth Supplemental Indenture dated as of September 1, 1993 (hereinafter called the "Nineteenth Supplemental Indenture"), a Twentieth Supplemental Indenture dated as of January 1, 1994 (hereinafter called the "Twentieth Supplemental Indenture"), a Twenty-First Supplemental Indenture dated as of January 1, 1994 (hereinafter called the "Twenty-First Supplemental Indenture"), a Twenty-Second Supplemental Indenture dated as of March 1, 1998 (hereinafter called the "Twenty-Second Supplemental Indenture"), a Twenty-Third Supplemental Indenture dated as of October 15, 1998 (hereinafter called the "Twenty-Third Supplemental Indenture"), a Twenty-Fourth Supplemental Indenture dated as of October 15, 1998 (hereinafter called the "Twenty-Fourth Supplemental Indenture"), a Twenty-Fifth Supplemental Indenture dated as of October 15, 1999 (hereinafter called the "Twenty-Fifth Supplemental Indenture"), a Twenty-Sixth Supplemental Indenture dated as of October 15, 1999 (hereinafter called the "Twenty-Sixth Supplemental Indenture"), a Twenty-Seventh Supplemental Indenture dated as of October 15, 2001 (hereinafter called the "Twenty-Seventh Supplemental Indenture"), a Twenty-Eighth Supplemental Indenture dated as of October 15, 2001 (hereinafter called the "Twenty-Eighth Supplemental Indenture"), a Twenty-Ninth Supplemental Indenture dated as of January 15, 2002 (hereinafter called the "Twenty-Ninth Supplemental Indenture"), a Thirtieth Supplemental Indenture dated as of October 15, 2004 (hereinafter called the "Thirtieth Supplemental Indenture"), a Thirty-First Supplemental Indenture dated as of October 15, 2004 (hereinafter called the "Thirty-First Supplemental Indenture"), a Thirty-Second Supplemental Indenture dated as of October 15, 2006 (hereinafter called the "Thirty-Second Supplemental Indenture"), a Thirty-Third Supplemental Indenture dated as of October 15, 2006 (hereinafter called the "Thirty-Third Supplemental Indenture"), a Thirty-Fourth Supplemental Indenture dated as of October 15, 2007 (hereinafter called the "Thirty-Fourth Supplemental Indenture"), a Thirty-Fifth Supplemental Indenture dated as of October 15, 2007 (hereinafter called the "Thirty-Fifth Supplemental Indenture"), a Thirty-Sixth Supplemental Indenture dated as of November 1, 2008 (hereinafter called the "Thirty-Sixth Supplemental Indenture"), a Thirty-Seventh Supplemental Indenture dated as of November 1, 2008 (hereinafter called the "Thirty-Seventh Supplemental Indenture"), a Thirty-Eighth Supplemental Indenture dated as of December 1, 2010 (hereinafter called the "Thirty-Eighth Supplemental Indenture"), a Thirty-Ninth Supplemental Indenture dated as of December 1, 2010 (hereinafter called the "Thirty-Ninth Supplemental Indenture"), a Fortieth Supplemental Indenture dated as of May 1, 2012 (hereinafter called the "Fortieth Supplemental Indenture"), a Forty-First Supplemental Indenture dated as of May 1, 2012 (hereinafter called the "Forty-First Supplemental Indenture"), a Forty-Second Supplemental Indenture dated as of November 1, 2012 (hereinafter called the "Forty-Second Supplemental Indenture") and a Forty-Third

Supplemental Indenture dated as of November 1, 2012 (hereinafter called the "Forty-Third Supplemental Indenture"), all executed by Water Company to U.S. Bank National Association, as successor to Wachovia Bank, National Association, the successor to First Union National Bank, the successor to Meridian Bank, the successor to United Counties Trust Company, in turn the successor to the Union County Trust Company, as Trustee, which Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture, Sixth Supplemental Indenture, Seventh Supplemental Indenture, Eighth Supplemental Indenture, Ninth Supplemental Indenture, Tenth Supplemental Indenture, Eleventh Supplemental Indenture, Twelfth Supplemental Indenture, Thirteenth Supplemental Indenture, Fourteenth Supplemental Indenture, Fifteenth Supplemental Indenture, Sixteenth Supplemental Indenture, Seventeenth Supplemental Indenture, Supplementary Indenture, Eighteenth Supplemental Indenture, Nineteenth Supplemental Indenture, Twentieth Supplemental Indenture, Twenty-First Supplemental Indenture, Twenty-Second Supplemental Indenture, Twenty-Third Supplemental Indenture, Twenty-Fourth Supplemental Indenture, Twenty-Fifth Supplemental Indenture, Twenty-Sixth Supplemental Indenture, Twenty-Seventh Supplemental Indenture, Twenty-Eighth Supplemental Indenture, Twenty-Ninth Supplemental Indenture, Thirtieth Supplemental Indenture, Thirty-First Supplemental Indenture, Thirty-Second Supplemental Indenture, Thirty-Third Supplemental Indenture, Thirty-Fourth Supplemental Indenture, Thirty-Fifth Supplemental Indenture, Thirty-Sixth Supplemental Indenture, Thirty-Seventh Supplemental Indenture, Thirty-Eighth Supplemental Indenture, Thirty-Ninth Supplemental Indenture, Fortieth Supplemental Indenture, Forty-First Supplemental Indenture, Forty-Second Supplemental Indenture and Forty-Third Supplemental Indenture are referred to herein sometimes as the "Supplemental Indentures", to which Mortgage and Supplemental Indentures reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the Bonds are issued and are to be secured and the rights of registered owners thereof and of the Trustee in respect of such security. As provided in the Mortgage and Supplemental Indentures, and subject to the conditions therein imposed, additional bonds of other series, with the same or different maturity dates, bearing the same or different rates of interest and varying in other respects, may be issued. This Series RR Bond is the Series RR Bond described in the Forty-Third Supplemental Indenture and designated therein as First Mortgage 3.80% Bond, Series RR.

Capitalized terms used but not defined herein shall have the meanings which are ascribed to them in the Forty-Third Supplemental Indenture.

As provided in the Forty-Third Supplemental Indenture, this Series RR Bond is subject to redemption in whole or in part upon prior written notice given by the Trustee upon written direction of the Water Company to the holder of this Bond (i) at the option of the Water Company with, to the extent required by the September 13, 2012 Order (Docket No. WF 12080731 of the Board of Public Utilities of the State of New Jersey ("BPU") and/or required by then applicable law and regulations, the prior approval of the BPU, at any time on and after October 1, 2017 at the principal amount thereof and accrued interest to the date fixed for redemption, (ii) if redeemed pursuant to the provisions set forth hereinafter and in the Forty-Third Supplemental Indenture under the captions "Mandatory Redemption" and "Special Mandatory Redemption"; and (ii) at the principal amount thereof plus accrued interest to the

date fixed for redemption pursuant to the provisions set forth hereinafter under the captions "Extraordinary Mandatory Redemption" and "Extraordinary Redemption" or "Extraordinary Event Redemption"; and at the redemption price for the Authority Bonds (as hereinafter defined) if redeemed pursuant to the provisions set forth hereinafter and in the Forty-Third Supplemental Indenture under the caption "Mandatory Redemption in the Event of Redemption of Authority Bonds".

### **Optional Redemption**

This Series RR Bond is subject to redemption at the option of Water Company, in whole or in part at any time on or after October 1, 2017 at the redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

### **Extraordinary Redemption**

This Series RR Bond will be subject to extraordinary redemption in whole or in part under (a) and (b) below, and in whole under (c), (d) and (e) below, on any date at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by Water Company of its option to prepay the amounts payable under the Loan Agreement if:

(a) The Projects are damaged or destroyed to such extent that, in the opinion of the Water Company expressed in a certificate of a Water Company representative filed with the Authority and the Authority's Trustee, (i) they cannot be reasonably restored within a period of six months to the condition thereof immediately preceding such damage or destruction, (ii) the Water Company is thereby prevented from carrying on its normal operations at the Projects for a period of six months or more, or (iii) the cost of restoration thereof would exceed the net proceeds of insurance (including self-insurance);

(b) Title to, or the temporary use for a period of six months or more of, all or substantially all of the Projects, or such part thereof as will materially interfere, in the opinion of the Water Company expressed in a certificate of a Water Company representative filed with the Authority and the Authority's Trustee, with the operation of the Projects for the purpose for which the Projects are designed, is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority (including such a taking or takings as results in the Water Company or any other affiliate of the Water Company being thereby prevented from carrying on its normal operations at the Projects for a period of six months or more);

(c) Changes which the Water Company (including for the purposes of this paragraph, any affiliate of the Water Company) cannot reasonably control or overcome in the economic availability of materials, supplies, labor, equipment and other properties and things necessary for the efficient operation of the Projects for the purpose contemplated by the Loan Agreement occur, or technological or other changes occur

which, in the opinion of the Water Company expressed in a certificate of a Water Company representative filed with the Authority and the Authority's Trustee, render the continued operation of the Projects uneconomical for such purposes;

(d) As a result of any changes in the Constitution of the State or the United States Constitution or of legislative or administrative action (whether state or federal) or of a final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Water Company in good faith, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement, or unreasonable burdens or excessive liabilities are imposed on the Water Company (including for the purposes of this paragraph, any affiliate of the Water Company) in respect to the Projects, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Agreement; or

(e) The Water Company files a certificate of a Water Company representative with the Authority and the Authority's Trustee stating that, as a result of circumstances unforeseen at the time the Bonds were issued, the Water Company (including, for the purposes of this paragraph, any affiliate of the Water Company) has decided to discontinue the operation of the Projects.

To exercise such option, the Water Company must, within 90 days following the event authorizing such prepayment, give written notice to the Trustee, the Authority and the Authority's Trustee specifying the date of such prepayment, which date must be not less than 50 days or more than 90 days from the date the Water Company mails such notice.

#### **Extraordinary Mandatory Redemption**

This Series RR Bond will be subject to mandatory redemption in whole, within 180 days after a "Determination of Taxability" at 100% of the principal amount thereof plus accrued interest to the redemption date.

A "Determination of Taxability" will have been deemed to occur if, as a result of an Event of Taxability (as defined below), a final decree or judgment of any federal court or a final action of the Internal Revenue Service determines that interest paid or payable on any Authority Bond is or was includable in the gross income of a holder, Beneficial Owner (as such term is defined in the Trust Indenture), former holder or former Beneficial Owner of the Authority Bonds for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") (other than a holder who is or was a "substantial user" or "related person" within the meaning of Section 147(a) of the Code). No such decree or action, however, will be considered final for this purpose unless the Water Company has been given written notice and, if it so desires and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any holder, Beneficial Owner, former holder or former Beneficial Owner of an Authority Bond, provided that in the event the Water Company contests such decree or action in the name of a holder, Beneficial Owner, former holder or former Beneficial Owner

of an Authority Bond, the Water Company must pay all expenses of such contest and must offer such holder, Beneficial Owner, former holder or former Beneficial Owner indemnity with respect to such expenses, and until conclusion of any appellate review, if sought. If the Authority's Trustee receives written notice from any such holder, Beneficial Owner, former holder or former Beneficial Owner stating that (i) the holder, Beneficial Owner, former holder or former Beneficial Owner has been notified in writing by the Internal Revenue Service that it proposes to include the interest on any Authority Bond in the gross income of such holder, Beneficial Owner, former holder or former Beneficial Owner for the reasons described herein or any other proceeding has been instituted against such holder, Beneficial Owner, former holder or former Beneficial Owner which may lead to a final decree or action, as described herein, and (ii) such holder, Beneficial Owner, former holder or former Beneficial Owner will afford the Water Company the opportunity to contest the same, either directly or in the name of such holder, Beneficial Owner, former holder or former Beneficial Owner, provided that in the event the Water Company contests such decree or action in the name of a holder, Beneficial Owner, former holder or former Beneficial Owner of an Authority Bond, the Water Company must pay all expenses of such contest and must offer such holder, Beneficial Owner, former holder or former Beneficial Owner indemnity with respect to such expenses, and until a conclusion of any appellate review, if sought, and the Authority's Trustee is satisfied that such information is accurate, then the Authority's Trustee will promptly give notice thereof to the Water Company and the Authority and to each such holder, Beneficial Owner, former holder or former Beneficial Owner and to all other registered owners of the Authority Bonds. The Authority's Trustee will thereafter coordinate any similar requests or notices it may have received from other holders, Beneficial Owners, former holders or former Beneficial Owners and will keep them informed of the progress of any administrative proceedings or litigation. If a final decree or action, as described above, thereafter occurs, the Authority's Trustee will make the required demand for prepayment of the amounts payable under the Agreement and redemption of the Authority Bonds and give notice of the redemption of the Bonds at the earliest practical date, but not later than the date specified above, and in the manner provided by the Indenture.

An "Event of Taxability" will mean the failure of the Water Company to observe any covenant, agreement or representation in the Agreement, which failure results in a Determination of Taxability.

#### **Special Mandatory Redemption**

This Series RR Bond will be subject to mandatory redemption in whole, at 100% of the principal amount thereof plus accrued interest to the redemption date, no later than 60 days after the Authority gives notice to the Authority's Trustee of the occurrence of one of the following events:

(a) The Water Company ceases to operate the Projects or to cause the Projects to be operated as authorized projects under the Act for 12 consecutive months without first obtaining the prior written consent of the Authority; or

(b) Any material representation or warranty made by the Water Company in the Loan Agreement or in any document furnished in connection with the

Loan Agreement proves to have been false or misleading in any material respect when made.

#### **Extraordinary Event Redemption**

This Series RR Bond is subject to mandatory redemption at a redemption price of 100% of the principal amount so redeemed, plus accrued interest to the redemption date, and without redemption premium immediately upon redemption of the Authority Bond in the event that all or substantially all of the property of the Water Company subject to the lien of the Mortgage Indenture shall be released from the lien thereof as a result of eminent domain proceedings, the exercise by a governmental body of a right reserved to purchase such property or a voluntary sale of such property, upon written notice delivered by registered mail to the holders of the Bonds at least 30 days prior to the date of redemption.

#### **Mandatory Redemption in the Event of Redemption of Authority Bonds**

In the event the Authority Bonds are called for redemption in whole or in part in accordance with the terms thereof, the Series RR Bond shall be subject to mandatory redemption on the date established for redemption of the Authority Bonds in an aggregate principal amount equal to the principal amount of the Authority Bonds so called for redemption, and at a redemption price equal to the redemption price for the Authority Bonds.

The obligations of the Water Company to make payments under this Series RR Bond are absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Authority under the Loan Agreement or under any other agreement between the Water Company and the Authority or out of any indebtedness or liability at any time owing to the Water Company by the Authority or for any other reason. This Series RR Bond is subject to assignment or transfer in accordance with the terms of the Loan Agreement. Payments under the Series RR Bond shall, except as otherwise provided in the Loan Agreement, be made directly to the Authority's Trustee, for the account of the Authority.

If this Series RR Bond is called for redemption and payment is duly provided therefor, as specified in the Mortgage and Supplemental Indentures, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an event of default, as defined in the Mortgage or Supplemental Indentures, shall occur, this Series RR Bond may become or be declared due and payable, in the manner and with the effect provided in the Mortgage and Supplemental Indentures.

As provided in the Mortgage as modified, amended and supplemented by the Supplemental Indentures, and subject to the limitations therein contained, the Mortgage and all indentures supplemental thereto may be modified, amended or supplemented with the consent in writing of the holders of not less than 51% in aggregate principal amount of all series of Bonds outstanding at any time; provided, however, that no such modification shall reduce the principal



amount of a Bond or the premium, if any, payable on a redemption thereof, extend the maturity thereof, reduce the rate or extend time for payment of interest thereon, give a Bond any preference over another Bond, create or permit a lien on the property subject to the Mortgage (other than a Permitted Encumbrance as defined in the Eighth Supplemental Indenture) prior to or on a parity with the Mortgage, or reduce the percentage of the holders required for any action authorized to be taken by the holders of Bonds under the Mortgage, without the consent of the holders of all Bonds affected by such modification; provided, further, that no modification shall impose additional duties or responsibilities on the Trustee without the consent of the Trustee.

The Mortgage may be modified, amended or supplemented by Water Company without the consent of the holders of the Bonds for one or more of the following purposes: (1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Mortgage; (2) to cure any ambiguity, supply any omission or cure or correct any defect in any description of the Mortgage Property, if such action is not adverse to the interests of the holders of the Bonds; (3) to insert such provisions clarifying matters or questions arising under the mortgage indenture as are necessary or desirable and are not contrary to or inconsistent with the Mortgage as in effect or (4) to restate the Mortgage as supplemented by the Supplemental Indentures as a single integrated document which may add headings, an index and other provisions aiding the convenience of use. The Company shall provide prior notice of such change to the holders.

This Series RR Bond shall not be transferred except (i) as provided or required under and pursuant to the Loan Agreement, (ii) to effect an exchange in connection with a bankruptcy, reorganization, insolvency, or similar proceeding involving Water Company and (iii) to effect an exchange in connection with prepayment by redemption or otherwise of the Series RR Bond. This Series RR Bond may be transferred at the principal corporate trust office of the Trustee by surrendering this Series RR Bond for cancellation, accompanied by a written instrument of transfer in form designated by the holder and reasonably acceptable to the Water Company and the Trustee, duly executed by the registered owner hereof in person or by attorney duly authorized in writing, and upon payment of any taxes or other governmental charges incident to such transfer, and upon any such transfer new registered Bond or Bonds of the same series and of the same aggregate principal amount in authorized denominations, will be issued to the transferee in exchange herefor.

This Series RR Bond, upon surrender hereof to the Trustee, accompanied by a written instrument of transfer as aforesaid, may be exchanged for another registered Bond of the same series and of the same principal amount; to the extent permitted by the Loan Agreement and upon payment of any charges and subject to the terms and conditions set forth in the Mortgage and Supplemental Indentures and the Loan Agreement.

The person in whose name this Series RR Bond shall be registered shall be deemed the owner hereof for all purposes, and payment of or on account of the principal hereof and any interest hereon shall be made only to or upon the order in writing of the registered owner hereof; and all such payments shall be valid and effectual to satisfy and discharge the liability upon this Series RR Bond to the extent of the sum or sums so paid.

No recourse shall be had for the payment of the principal of or any interest on this Series RR Bond or for any claim based hereon or otherwise in respect hereof or of the Mortgage or of any indenture supplemental thereto against any incorporator, or against any stockholder, director or officer, as such, past, present or future, of Water Company or of any predecessor or successor corporation, either directly or through Water Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law or equity, or by the enforcement of any assessment or penalty, or otherwise howsoever, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released by every holder or registered owner hereof as more fully provided in the Mortgage and Supplemental Indentures; it being expressly agreed and understood that the Mortgage and Supplemental Indentures and all Bonds thereby secured are solely corporate obligations.

The terms and provisions of the Series RR Bond shall not be amended by, and the Series RR Bond shall not be entitled to the benefit of, any covenant, term or condition contained in any subsequent supplemental indenture without the express written concurrence of the Water Company.

This Series RR Bond shall not be entitled to any benefit under the Mortgage or any indenture supplemental thereto, or be valid or become obligatory for any purpose, until U.S. Bank National Association, as the Trustee under the Mortgage and Supplemental Indentures, or its successor thereunder, shall have signed the form of certificate endorsed hereon.

[SIGNATURE ON NEXT PAGE]

*Signature Page to Series RR Bond*

IN WITNESS WHEREOF, Middlesex Water Company has caused this Series RR Bond to be signed in its name by its President or a Vice President and its corporate seal to be hereto affixed by its Secretary or any Assistant Secretary.

Dated: November 1, 2012

ATTEST:

MIDDLESEX WATER COMPANY

\_\_\_\_\_  
Kenneth J. Quinn  
Vice President, General Counsel,  
Secretary and Treasurer

By: \_\_\_\_\_  
A. Bruce O'Connor  
Vice President and Chief Financial Officer

## MIDDLESEX WATER COMPANY

NO. R-1

\$23,000,000

NON-NEGOTIABLE  
FIRST MORTGAGE 4.25% BOND,  
SERIES SS, DUE OCTOBER 1, 2047

Dated Date: November 27, 2012

MIDDLESEX WATER COMPANY, a corporation organized and existing under the laws of the State of New Jersey (hereinafter called the "Water Company"), for value received, hereby promises to pay to Deutsche Bank National Trust Company (the "Authority's Trustee"), as Trustee to the New Jersey Economic Development Authority (the "Authority"), or registered assigns on the first day of October, 2047 at the office of U.S. BANK NATIONAL ASSOCIATION in the Town of Morristown, State of New Jersey, Trustee under the Mortgage and Supplemental Indentures hereinafter mentioned, or its successor as such Trustee, the sum of Twenty Three Million Thousand Dollars \$23,000,000, in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, which payment shall be made on the business day prior to October 1, 2047, and to pay interest thereon from the Dated Date referenced above at the rate of four and twenty five one hundredths percent (4.25%) per annum, computed on the basis of a 360-day year composed of twelve 30-day months in like coin or currency, on the business day prior to April 1 and October 1 in each year, commencing on the business day prior to April 1, 2013, until Water Company's obligation with respect to the payment of such principal shall be discharged.

This Bond is the sole Bond of a duly authorized issue of non-negotiable bonds of Water Company known as its First Mortgage 4.25% Bonds, Series SS (hereinafter called the "Series SS Bond"), of the principal amount of \$23,000,000 issued and secured (together with all other bonds of the Water Company (hereinafter called "Bonds") under the Mortgage and Supplemental Indentures (as hereinafter defined), by an Indenture of Mortgage dated April 1, 1927 (hereinafter called the "Mortgage"), a Second Supplemental Indenture dated as of October 1, 1939 (hereinafter called the "Second Supplemental Indenture"), a Third Supplemental Indenture dated as of April 1, 1946 (hereinafter called the "Third Supplemental Indenture"), a Fourth Supplemental Indenture dated as of April 1, 1949 (hereinafter called the "Fourth Supplemental Indenture"), a Fifth Supplemental Indenture dated as of February 1, 1955 (hereinafter called the "Fifth Supplemental Indenture"), a Sixth Supplemental Indenture dated as of December 1, 1959 (hereinafter called the "Sixth Supplemental Indenture"), a Seventh Supplemental Indenture dated as of January 15, 1963 (hereinafter called the "Seventh Supplemental Indenture"), an Eighth Supplemental Indenture dated as of July 1, 1964 (hereinafter called the "Eighth Supplemental Indenture"), a Ninth Supplemental Indenture dated as of June 1, 1965 (hereinafter called the "Ninth Supplemental Indenture"), a Tenth Supplemental Indenture dated as of February 1, 1968 (hereinafter called the "Tenth Supplemental Indenture"), an Eleventh Supplemental Indenture dated as of December 1, 1968 (hereinafter called the "Eleventh Supplemental Indenture"), a

Twelfth Supplemental Indenture dated as of December 1, 1970 (hereinafter called the "Twelfth Supplemental Indenture"), a Thirteenth Supplemental Indenture dated as of December 1, 1972 (hereinafter called the "Thirteenth Supplemental Indenture"), a Fourteenth Supplemental Indenture dated as of April 1, 1979 (hereinafter called the "Fourteenth Supplemental Indenture"), a Fifteenth Supplemental Indenture dated as of April 1, 1983 (hereinafter called the "Fifteenth Supplemental Indenture"), a Sixteenth Supplemental Indenture dated as of August 1, 1988 (hereinafter called the "Sixteenth Supplemental Indenture"), a Seventeenth Supplemental Indenture dated as of June 15, 1991 (hereinafter called the "Seventeenth Supplemental Indenture"), a Supplementary Indenture to the Fifteenth Supplemental Indenture dated as of March 1, 1993 (hereinafter called the "Supplementary Indenture"), an Eighteenth Supplemental Indenture dated as of September 1, 1993 (hereinafter called the "Eighteenth Supplemental Indenture"), a Nineteenth Supplemental Indenture dated as of September 1, 1993 (hereinafter called the "Nineteenth Supplemental Indenture"), a Twentieth Supplemental Indenture dated as of January 1, 1994 (hereinafter called the "Twentieth Supplemental Indenture"), a Twenty-First Supplemental Indenture dated as of January 1, 1994 (hereinafter called the "Twenty-First Supplemental Indenture"), a Twenty-Second Supplemental Indenture dated as of March 1, 1998 (hereinafter called the "Twenty-Second Supplemental Indenture"), a Twenty-Third Supplemental Indenture dated as of October 15, 1998 (hereinafter called the "Twenty-Third Supplemental Indenture"), a Twenty-Fourth Supplemental Indenture dated as of October 15, 1998 (hereinafter called the "Twenty-Fourth Supplemental Indenture"), a Twenty-Fifth Supplemental Indenture dated as of October 15, 1999 (hereinafter called the "Twenty-Fifth Supplemental Indenture"), a Twenty-Sixth Supplemental Indenture dated as of October 15, 1999 (hereinafter called the "Twenty-Sixth Supplemental Indenture"), a Twenty-Seventh Supplemental Indenture dated as of October 15, 2001 (hereinafter called the "Twenty-Seventh Supplemental Indenture"), a Twenty-Eighth Supplemental Indenture dated as of October 15, 2001 (hereinafter called the "Twenty-Eighth Supplemental Indenture"), a Twenty-Ninth Supplemental Indenture dated as of January 15, 2002 (hereinafter called the "Twenty-Ninth Supplemental Indenture"), a Thirtieth Supplemental Indenture dated as of October 15, 2004 (hereinafter called the "Thirtieth Supplemental Indenture"), a Thirty-First Supplemental Indenture dated as of October 15, 2004 (hereinafter called the "Thirty-First Supplemental Indenture"), a Thirty-Second Supplemental Indenture dated as of October 15, 2006 (hereinafter called the "Thirty-Second Supplemental Indenture"), a Thirty-Third Supplemental Indenture dated as of October 15, 2006 (hereinafter called the "Thirty-Third Supplemental Indenture"), a Thirty-Fourth Supplemental Indenture dated as of October 15, 2007 (hereinafter called the "Thirty-Fourth Supplemental Indenture"), a Thirty-Fifth Supplemental Indenture dated as of October 15, 2007 (hereinafter called the "Thirty-Fifth Supplemental Indenture"), a Thirty-Sixth Supplemental Indenture dated as of November 1, 2008 (hereinafter called the "Thirty-Sixth Supplemental Indenture"), a Thirty-Seventh Supplemental Indenture dated as of November 1, 2008 (hereinafter called the "Thirty-Seventh Supplemental Indenture"), a Thirty-Eighth Supplemental Indenture dated as of December 1, 2010 (hereinafter called the "Thirty-Eighth Supplemental Indenture"), a Thirty-Ninth Supplemental Indenture dated as of December 1, 2010 (hereinafter called the "Thirty-Ninth Supplemental Indenture"), a Fortieth Supplemental Indenture dated as of May 1, 2012 (hereinafter called the "Fortieth Supplemental Indenture"), a Forty-First Supplemental Indenture dated as of May 1, 2012 (hereinafter called the "Forty-First Supplemental Indenture"), a Forty-Second Supplemental Indenture dated as of November 1, 2012 (hereinafter called the "Forty-

Second Supplemental Indenture”), a Forty-Third Supplemental Indenture dated as of November 1, 2012 (hereinafter called the “Forty-Third Supplemental Indenture”) and a Forty-Fourth Supplemental Indenture dated as of November 1, 2012 (hereinafter called the “Forty-Fourth Supplemental Indenture”), all executed by Water Company to U.S. Bank National Association, as successor to Wachovia Bank, National Association, the successor to First Union National Bank, the successor to Meridian Bank, the successor to United Counties Trust Company, in turn the successor to the Union County Trust Company, as Trustee, which Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture, Sixth Supplemental Indenture, Seventh Supplemental Indenture, Eighth Supplemental Indenture, Ninth Supplemental Indenture, Tenth Supplemental Indenture, Eleventh Supplemental Indenture, Twelfth Supplemental Indenture, Thirteenth Supplemental Indenture, Fourteenth Supplemental Indenture, Fifteenth Supplemental Indenture, Sixteenth Supplemental Indenture, Seventeenth Supplemental Indenture, Supplementary Indenture, Eighteenth Supplemental Indenture, Nineteenth Supplemental Indenture, Twentieth Supplemental Indenture, Twenty-First Supplemental Indenture, Twenty-Second Supplemental Indenture, Twenty-Third Supplemental Indenture, Twenty-Fourth Supplemental Indenture, Twenty-Fifth Supplemental Indenture, Twenty-Sixth Supplemental Indenture, Twenty-Seventh Supplemental Indenture, Twenty-Eighth Supplemental Indenture, Twenty-Ninth Supplemental Indenture, Thirtieth Supplemental Indenture, Thirty-First Supplemental Indenture, Thirty-Second Supplemental Indenture, Thirty-Third Supplemental Indenture, Thirty-Fourth Supplemental Indenture, Thirty-Fifth Supplemental Indenture, Thirty-Sixth Supplemental Indenture, Thirty-Seventh Supplemental Indenture, Thirty-Eighth Supplemental Indenture, Thirty-Ninth Supplemental Indenture, Fortieth Supplemental Indenture, Forty-First Supplemental Indenture, Forty-Second Supplemental Indenture, Forty-Third Supplemental Indenture and Forty-Fourth Supplemental Indenture are referred to herein sometimes as the “Supplemental Indentures”, to which Mortgage and Supplemental Indentures reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the Bonds are issued and are to be secured and the rights of registered owners thereof and of the Trustee in respect of such security. As provided in the Mortgage and Supplemental Indentures, and subject to the conditions therein imposed, additional bonds of other series, with the same or different maturity dates, bearing the same or different rates of interest and varying in other respects, may be issued. This Series SS Bond is the Series SS Bond described in the Forty-Fourth Supplemental Indenture and designated therein as First Mortgage 4.25% Bond, Series SS.

Capitalized terms used but not defined herein shall have the meanings which are ascribed to them in the Forty-Fourth Supplemental Indenture.

As provided in the Forty-Fourth Supplemental Indenture, this Series SS Bond is subject to redemption in whole or in part upon prior written notice given by the Trustee upon written direction of the Water Company to the holder of this Bond (i) at the option of the Water Company with, to the extent required by the September 13, 2012 Order (Docket No. WF 12080731 of the Board of Public Utilities of the State of New Jersey (“BPU”) and/or required by then applicable law and regulations, the prior approval of the BPU, at any time on and after October 1, 2022 at the principal amount thereof and accrued interest to the date fixed for redemption, (ii) if redeemed pursuant to the provisions set forth hereinafter and in the Forty-

Fourth Supplemental Indenture under the captions "Mandatory Redemption" and "Special Mandatory Redemption"; and (ii) at the principal amount thereof plus accrued interest to the date fixed for redemption pursuant to the provisions set forth hereinafter under the captions "Extraordinary Mandatory Redemption" and "Extraordinary Redemption" or "Extraordinary Event Redemption"; and at the redemption price for the Authority Bonds (as hereinafter defined) if redeemed pursuant to the provisions set forth hereinafter and in the Forty-Fourth Supplemental Indenture under the caption "Mandatory Redemption in the Event of Redemption of Authority Bonds".

### **Optional Redemption**

This Series SS Bond is subject to redemption at the option of Water Company, in whole or in part at any time on or after October 1, 2022 at the redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

### **Extraordinary Redemption**

This Series SS Bond will be subject to extraordinary optional redemption in whole or in part under (a) and (b) below, and in whole under (c), (d) and (e) below, on any date at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by Water Company of its option to prepay the amounts payable under the Loan Agreement if:

(a) The Projects are damaged or destroyed to such extent that, in the opinion of the Water Company expressed in a certificate of a Water Company representative filed with the Authority and the Authority's Trustee, (i) they cannot be reasonably restored within a period of six months to the condition thereof immediately preceding such damage or destruction, (ii) the Water Company is thereby prevented from carrying on its normal operations at the Projects for a period of six months or more, or (iii) the cost of restoration thereof would exceed the net proceeds of insurance (including self-insurance);

(b) Title to, or the temporary use for a period of six months or more of, all or substantially all of the Projects, or such part thereof as will materially interfere, in the opinion of the Water Company expressed in a certificate of a Water Company representative filed with the Authority and the Authority's Trustee, with the operation of the Projects for the purpose for which the Projects are designed, is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority (including such a taking or takings as results in the Water Company or any other affiliate of the Water Company being thereby prevented from carrying on its normal operations at the Projects for a period of six months or more);

(c) Changes which the Water Company (including for the purposes of this paragraph, any affiliate of the Water Company) cannot reasonably control or overcome in the economic availability of materials, supplies, labor, equipment and other

properties and things necessary for the efficient operation of the Projects for the purpose contemplated by the Loan Agreement occur, or technological or other changes occur which, in the opinion of the Water Company expressed in a certificate of a Water Company representative filed with the Authority and the Authority's Trustee, render the continued operation of the Projects uneconomical for such purposes;

(d) As a result of any changes in the Constitution of the State or the United States Constitution or of legislative or administrative action (whether state or federal) or of a final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Water Company in good faith, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement, or unreasonable burdens or excessive liabilities are imposed on the Water Company (including for the purposes of this paragraph, any affiliate of the Water Company) in respect to the Projects, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Agreement; or

(e) The Water Company files a certificate of a Water Company representative with the Authority and the Authority's Trustee stating that, as a result of circumstances unforeseen at the time the Bonds were issued, the Water Company (including, for the purposes of this paragraph, any affiliate of the Water Company) has decided to discontinue the operation of the Projects.

To exercise such option, the Water Company must, within 90 days following the event authorizing such prepayment, give written notice to the Trustee, the Authority and the Authority's Trustee specifying the date of such prepayment, which date must be not less than 50 days or more than 90 days from the date the Water Company mails such notice.

#### **Extraordinary Mandatory Redemption**

This Series SS Bond will be subject to mandatory redemption in whole, within 180 days after a "Determination of Taxability" at 100% of the principal amount thereof plus accrued interest to the redemption date.

A "Determination of Taxability" will have been deemed to occur if, as a result of an Event of Taxability (as defined below), a final decree or judgment of any federal court or a final action of the Internal Revenue Service determines that interest paid or payable on any Authority Bond is or was includable in the gross income of a holder, Beneficial Owner (as such term is defined in the Trust Indenture), former holder or former Beneficial Owner of the Authority Bonds for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") (other than a holder who is or was a "substantial user" or "related person" within the meaning of Section 147(a) of the Code). No such decree or action, however, will be considered final for this purpose unless the Water Company has been given written notice and, if it so desires and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any holder, Beneficial Owner, former holder or former Beneficial



Owner of an Authority Bond, provided that in the event the Water Company contests such decree or action in the name of a holder, Beneficial Owner, former holder or former Beneficial Owner of an Authority Bond, the Water Company must pay all expenses of such contest and must offer such holder, Beneficial Owner, former holder or former Beneficial Owner indemnity with respect to such expenses, and until conclusion of any appellate review, if sought. If the Authority's Trustee receives written notice from any such holder, Beneficial Owner, former holder or former Beneficial Owner stating that (i) the holder, Beneficial Owner, former holder or former Beneficial Owner has been notified in writing by the Internal Revenue Service that it proposes to include the interest on any Authority Bond in the gross income of such holder, Beneficial Owner, former holder or former Beneficial Owner for the reasons described herein or any other proceeding has been instituted against such holder, Beneficial Owner, former holder or former Beneficial Owner which may lead to a final decree or action, as described herein, and (ii) such holder, Beneficial Owner, former holder or former Beneficial Owner will afford the Water Company the opportunity to contest the same, either directly or in the name of such holder, Beneficial Owner, former holder or former Beneficial Owner, provided that in the event the Water Company contests such decree or action in the name of a holder, Beneficial Owner, former holder or former Beneficial Owner of an Authority Bond, the Water Company must pay all expenses of such contest and must offer such holder, Beneficial Owner, former holder or former Beneficial Owner indemnity with respect to such expenses, and until a conclusion of any appellate review, if sought, and the Authority's Trustee is satisfied that such information is accurate, then the Authority's Trustee will promptly give notice thereof to the Water Company and the Authority and to each such holder, Beneficial Owner, former holder or former Beneficial Owner and to all other registered owners of the Authority Bonds. The Authority's Trustee will thereafter coordinate any similar requests or notices it may have received from other holders, Beneficial Owners, former holders or former Beneficial Owners and will keep them informed of the progress of any administrative proceedings or litigation. If a final decree or action, as described above, thereafter occurs, the Authority's Trustee will make the required demand for prepayment of the amounts payable under the Agreement and redemption of the Authority Bonds and give notice of the redemption of the Bonds at the earliest practical date, but not later than the date specified above, and in the manner provided by the Indenture.

An "Event of Taxability" will mean the failure of the Water Company to observe any covenant, agreement or representation in the Agreement, which failure results in a Determination of Taxability.

#### **Special Mandatory Redemption**

This Series SS Bond will be subject to mandatory redemption in whole, at 100% of the principal amount thereof plus accrued interest to the redemption date, no later than 60 days after the Authority gives notice to the Authority's Trustee of the occurrence of one of the following events:

- (a) The Water Company ceases to operate the Projects or to cause the Projects to be operated as authorized projects under the Act for 12 consecutive months without first obtaining the prior written consent of the Authority; or

(b) Any material representation or warranty made by the Water Company in the Loan Agreement or in any document furnished in connection with the Loan Agreement proves to have been false or misleading in any material respect when made.

#### **Extraordinary Event Redemption**

This Series SS Bond is subject to mandatory redemption at a redemption price of 100% of the principal amount so redeemed, plus accrued interest to the redemption date, and without redemption premium immediately upon redemption of the Authority Bond in the event that all or substantially all of the property of the Water Company subject to the lien of the Mortgage Indenture shall be released from the lien thereof as a result of eminent domain proceedings, the exercise by a governmental body of a right reserved to purchase such property or a voluntary sale of such property, upon written notice delivered by registered mail to the holders of the Bonds at least 30 days prior to the date of redemption.

#### **Mandatory Redemption in the Event of Redemption of Authority Bonds**

In the event the Authority Bonds are called for redemption in whole or in part in accordance with the terms thereof, the Series SS Bond shall be subject to mandatory redemption on the redemption established for the Authority Bonds in an aggregate principal amount equal to the principal amount of the Authority Bonds so called for redemption, and at a redemption price equal to the redemption price for the Authority Bonds.

The obligations of the Water Company to make payments under this Series SS Bond are absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Authority under the Loan Agreement or under any other agreement between the Water Company and the Authority or out of any indebtedness or liability at any time owing to the Water Company by the Authority or for any other reason. This Series SS Bond is subject to assignment or transfer in accordance with the terms of the Loan Agreement. Payments under the Series SS Bond shall, except as otherwise provided in the Loan Agreement, be made directly to the Authority's Trustee, for the account of the Authority.

If this Series SS Bond is called for redemption and payment is duly provided therefor, as specified in the Mortgage and Supplemental Indentures, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an event of default, as defined in the Mortgage or Supplemental Indentures, shall occur, this Series SS Bond may become or be declared due and payable, in the manner and with the effect provided in the Mortgage and Supplemental Indentures.

As provided in the Mortgage as modified, amended and supplemented by the Supplemental Indentures, and subject to the limitations therein contained, the Mortgage and all indentures supplemental thereto may be modified, amended or supplemented with the consent in

writing of the holders of not less than 51% in aggregate principal amount of all series of Bonds outstanding at any time; provided, however, that no such modification shall reduce the principal amount of a Bond or the premium, if any, payable on a redemption thereof, extend the maturity thereof, reduce the rate or extend time for payment of interest thereon, give a Bond any preference over another Bond, create or permit a lien on the property subject to the Mortgage (other than a Permitted Encumbrance as defined in the Eighth Supplemental Indenture) prior to or on a parity with the Mortgage, or reduce the percentage of the holders required for any action authorized to be taken by the holders of Bonds under the Mortgage, without the consent of the holders of all Bonds affected by such modification; provided, further, that no modification shall impose additional duties or responsibilities on the Trustee without the consent of the Trustee.

The Mortgage may be modified, amended or supplemented by Water Company without the consent of the holders of the Bonds for one or more of the following purposes: (1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Mortgage; (2) to cure any ambiguity, supply any omission or cure or correct any defect in any description of the Mortgage Property, if such action is not adverse to the interests of the holders of the Bonds; (3) to insert such provisions clarifying matters or questions arising under the mortgage indenture as are necessary or desirable and are not contrary to or inconsistent with the Mortgage as in effect or (4) to restate the Mortgage as supplemented by the Supplemental Indentures as a single integrated document which may add headings, an index and other provisions aiding the convenience of use. The Company shall provide prior notice of such change to the holders.

This Series SS Bond shall not be transferred except (i) as provided or required under and pursuant to the Loan Agreement, (ii) to effect an exchange in connection with a bankruptcy, reorganization, insolvency, or similar proceeding involving Water Company and (iii) to effect an exchange in connection with prepayment by redemption or otherwise of the Series SS Bond. This Series SS Bond may be transferred at the principal corporate trust office of the Trustee by surrendering this Series SS Bond for cancellation, accompanied by a written instrument of transfer in form designated by the holder and reasonably acceptable to the Water Company and the Trustee, duly executed by the registered owner hereof in person or by attorney duly authorized in writing, and upon payment of any taxes or other governmental charges incident to such transfer, and upon any such transfer new registered Bond or Bonds of the same series and of the same aggregate principal amount in authorized denominations, will be issued to the transferee in exchange herefor.

This Series SS Bond, upon surrender hereof to the Trustee, accompanied by a written instrument of transfer as aforesaid, may be exchanged for another registered Bond of the same series and of the same principal amount; to the extent permitted by the Loan Agreement and upon payment of any charges and subject to the terms and conditions set forth in the Mortgage and Supplemental Indentures and the Loan Agreement.

The person in whose name this Series SS Bond shall be registered shall be deemed the owner hereof for all purposes, and payment of or on account of the principal hereof and any interest hereon shall be made only to or upon the order in writing of the registered owner hereof;

and all such payments shall be valid and effectual to satisfy and discharge the liability upon this Series SS Bond to the extent of the sum or sums so paid.

No recourse shall be had for the payment of the principal of or any interest on this Series SS Bond or for any claim based hereon or otherwise in respect hereof or of the Mortgage or of any indenture supplemental thereto against any incorporator, or against any stockholder, director or officer, as such, past, present or future, of Water Company or of any predecessor or successor corporation, either directly or through Water Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law or equity, or by the enforcement of any assessment or penalty, or otherwise howsoever, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released by every holder or registered owner hereof as more fully provided in the Mortgage and Supplemental Indentures; it being expressly agreed and understood that the Mortgage and Supplemental Indentures and all Bonds thereby secured are solely corporate obligations.

The terms and provisions of the Series SS Bond shall not be amended by, and the Series SS Bond shall not be entitled to the benefit of, any covenant, term or condition contained in any subsequent supplemental indenture without the express written concurrence of the Water Company.

This Series SS Bond shall not be entitled to any benefit under the Mortgage or any indenture supplemental thereto, or be valid or become obligatory for any purpose, until U.S. Bank National Association, as the Trustee under the Mortgage and Supplemental Indentures, or its successor thereunder, shall have signed the form of certificate endorsed hereon.

[SIGNATURE ON NEXT PAGE]

*Signature Page to Series SS Bond*

IN WITNESS WHEREOF, Middlesex Water Company has caused this Series SS Bond to be signed in its name by its President or a Vice President and its corporate seal to be hereto affixed by its Secretary or any Assistant Secretary.

Dated: November 1, 2012

ATTEST:

MIDDLESEX WATER COMPANY

\_\_\_\_\_  
Kenneth J. Quinn  
Vice President, General Counsel,  
Secretary and Treasurer

By: \_\_\_\_\_  
A. Bruce O'Connor  
Vice President and Chief Financial Officer

**SAMPLE FORM – Series RR**  
**Separate Notice Will Be Issued for Each Series of Bonds (Series RR and SS).**

NOTICE OF REDEMPTION TO HOLDERS OF

MIDDLESEX WATER COMPANY

First Mortgage 3.80% Bonds, Series RR  
Dated as of November 1, 2012  
Due October 1, 2038

NOTICE IS HEREBY GIVEN that, pursuant to the provision of Article VII of the Trust Indenture dated as of November 1, 2012, between the New Jersey Economic Development Authority and The Bank of New York, predecessor to \_\_\_\_\_, as Trustee under the Indenture of Mortgage, all outstanding Bonds are called as of \_\_\_\_\_, at a price of \_\_\_\_\_% of the principal amount plus accrued interest to \_\_\_\_\_.

Payment of said Bonds so called for redemption will be made on and after \_\_\_\_\_, upon presentation and surrender of the Bonds to \_\_\_\_\_, at the address below.

You are hereby requested to present the above-referenced Bonds for redemption to:

Name/Address of Bank

Interest on the above Bonds shall cease to accrue from and after \_\_\_\_\_, and on such date there will become due and payable thereon, at said office of the Trustee, the redemption price specified above.

All Holders submitting their Bonds for redemption must also submit a properly executed IRS Form W-9 in order to avoid an 28% back-up withholding under the Interest and Dividend Compliance Act of 1983. Failure to provide a completed W-9 will result in an 28% back-up withholding to the Bondholders. The IRS Form W-9 may be obtained from the Internal Revenue Service and most banks and brokerage firms.

The redemption is contingent upon approval of the New Jersey Board of Public Utilities, which approval has been sought. You will be notified if such approval has not been granted.

\_\_\_\_\_  
as Indenture Trustee

Dated: \_\_\_\_\_, 2021

**SAMPLE FORM – Series SS**

**Separate Notice Will Be Issued for Each Series of Bonds (Series RR and SS).**

NOTICE OF REDEMPTION TO HOLDERS OF

MIDDLESEX WATER COMPANY

First Mortgage 4.25% Bonds, Series SS

Dated as of November 1, 2012

Due October 1, 2047

NOTICE IS HEREBY GIVEN that, pursuant to the provision of Article VII of the Trust Indenture dated as of November 1, 2012, between the New Jersey Economic Development Authority and The Bank of New York, predecessor to \_\_\_\_\_, as Trustee under the Indenture of Mortgage, all outstanding Bonds are called as of \_\_\_\_\_, at a price of \_\_\_\_\_% of the principal amount plus accrued interest to \_\_\_\_\_.

Payment of said Bonds so called for redemption will be made on and after \_\_\_\_\_, upon presentation and surrender of the Bonds to \_\_\_\_\_, at the address below.

You are hereby requested to present the above-referenced Bonds for redemption to:

Name/Address of Bank

Interest on the above Bonds shall cease to accrue from and after \_\_\_\_\_, and on such date there will become due and payable thereon, at said office of the Trustee, the redemption price specified above.

All Holders submitting their Bonds for redemption must also submit a properly executed IRS Form W-9 in order to avoid an 28% back-up withholding under the Interest and Dividend Compliance Act of 1983. Failure to provide a completed W-9 will result in an 28% back-up withholding to the Bondholders. The IRS Form W-9 may be obtained from the Internal Revenue Service and most banks and brokerage firms.

The redemption is contingent upon approval of the New Jersey Board of Public Utilities, which approval has been sought. You will be notified if such approval has not been granted.

\_\_\_\_\_  
as Indenture Trustee

Dated: \_\_\_\_\_, 2021

**New Jersey Economic Development Authority**

Water Facilities Revenue Refunding Bonds

(Middlesex Water Company Project), Series 2021 (Federally Taxable)

TAXABLE ADVANCE REFUNDING ANALYSIS OF SERIES 2012C

**Debt Service Comparison**

<b>Date</b>	<b>Total P+I</b>	<b>Net New D/S</b>	<b>Old Net D/S</b>	<b>Savings</b>
12/31/2021	218,827.50	441,077.50	488,750.00	47,672.50
12/31/2022	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2023	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2024	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2025	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2026	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2027	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2028	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2029	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2030	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2031	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2032	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2033	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2034	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2035	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2036	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2037	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2038	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2039	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2040	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2041	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2042	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2043	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2044	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2045	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2046	875,310.00	875,310.00	977,500.00	102,190.00
12/31/2047	25,325,310.00	25,325,310.00	23,977,500.00	(1,347,810.00)
<b>Total</b>	<b>\$47,426,887.50</b>	<b>\$47,649,137.50</b>	<b>\$48,903,750.00</b>	<b>\$1,254,612.50</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	1,400,884.18
Net PV Cashflow Savings @ 3.580%(Bond Yield)	1,400,884.18
Total Cash contribution	(222,250.00)
Contingency or Rounding Amount	1,585.70
Net Present Value Benefit	\$1,180,219.88
Net PV Benefit / \$23,000,000 Refunded Principal	5.131%

**Refunding Bond Information**

Refunding Dated Date	7/01/2021
Refunding Delivery Date	7/01/2021



**New Jersey Economic Development Authority**

Water Facilities Revenue Refunding Bonds

(Middlesex Water Company Project), Series 2021 (AMT)

CURRENT REFUNDING ANALYSIS OF SERIES 2012B

**Debt Service Comparison**

<b>Date</b>	<b>Total P+I</b>	<b>Net New D/S</b>	<b>Old Net D/S</b>	<b>Savings</b>
12/31/2021	188,550.00	382,825.00	427,500.00	44,675.00
12/31/2022	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2023	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2024	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2025	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2026	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2027	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2028	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2029	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2030	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2031	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2032	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2033	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2034	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2035	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2036	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2037	754,200.00	754,200.00	855,000.00	100,800.00
12/31/2038	19,609,200.00	19,609,200.00	23,355,000.00	3,745,800.00
<b>Total</b>	<b>\$31,864,950.00</b>	<b>\$32,059,225.00</b>	<b>\$37,462,500.00</b>	<b>\$5,403,275.00</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	4,400,810.19
Net PV Cashflow Savings @ 1.760%(Bond Yield)	4,400,810.19
Total Cash contribution	(194,275.00)
Contingency or Rounding Amount	5,780.24
Net Present Value Benefit	\$4,212,315.43
Net PV Benefit / \$22,500,000 Refunded Principal	18.721%

**Refunding Bond Information**

Refunding Dated Date	7/01/2021
Refunding Delivery Date	7/01/2021