



485C Route 1 South, Suite 400  
Iselin, New Jersey 08830-0452

NASDAQ Stock Market Symbol: MSEX  
www.middlesexwater.com

November 4, 2022

Honorable Carmen Diaz  
Acting Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, NJ 08625-0350

Re: In the Matter of the Application of Middlesex Water Company  
For Authority to Issue and Sell up to \$300.0 Million of Principal  
Amount Debt Securities  
BPU Docket No.: WF2211 \_\_\_\_\_

Dear Acting Secretary Diaz:

Enclosed herewith for filing please find Middlesex Water Company's Petition and supporting exhibits 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 \$300.0 million, in one or more negotiated private placement transactions, in order to fund portions of its estimated \$288.0 million Five-Year Capital Program and other funding requirements.

Please contact me at (732) 638-7506 or [jkooper@middlesexwater.com](mailto:jkooper@middlesexwater.com) with any questions or concerns with respect to this filing.

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

**In the Matter of the Application of Middlesex Water Company for  
Authority To Issue Up To \$300.0 Million of Debt Securities  
BPU Docket No. WF2211 \_\_\_\_\_  
~ Service List A ~**

**MIDDLESEX WATER COMPANY**

<p><b>Jay L. Kooper</b> Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 <a href="mailto:jkooper@middlesexwater.com">jkooper@middlesexwater.com</a></p>	<p><b>A. Bruce O'Connor</b> Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 <a href="mailto:aboconnor@middlesexwater.com">aboconnor@middlesexwater.com</a></p>	<p><b>Robert J. Capko</b> Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 <a href="mailto:rcapko@middlesexwater.com">rcapko@middlesexwater.com</a></p>
<p><b>Tracy Tyrell</b> Middlesex Water Company <a href="mailto:tyrell@middlesexwater.com">tyrell@middlesexwater.com</a> (electronic only)</p>	<p><b>Yvonne Nieto</b> Middlesex Water Company <a href="mailto:ynieto@middlesexwater.com">ynieto@middlesexwater.com</a> (Electronic only)</p>	<p><b>Michele Tilley</b> Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 <a href="mailto:mtilley@middlesexwater.com">mtilley@middlesexwater.com</a></p>
<p><b>Colleen Zangara</b> Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 <a href="mailto:czangara@middlesexwater.com">czangara@middlesexwater.com</a></p>	<p><b>Yiping Zhu</b> Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 <a href="mailto:yzhu@middlesexwater.com">yzhu@middlesexwater.com</a></p>	

**BOARD OF PUBLIC UTILITIES/DIVISION OF LAW**

<p><b>Carmen Diaz, Acting Secretary</b> Board of Public Utilities Secretary 44 South Clinton Ave., Suite 314 PO Box 350 Trenton, NJ 08625 <a href="mailto:carmen.diaz@bpu.nj.gov">carmen.diaz@bpu.nj.gov</a></p>	<p><b>Dr. Benjamin Witherell</b> Board of Public Utilities Office of the Economist 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 <a href="mailto:Benjamin.Witherell@bpu.nj.gov">Benjamin.Witherell@bpu.nj.gov</a></p>	<p><b>Michael Kammer</b> Board of Public Utilities Division of Water 44 South Clinton Ave., 9<sup>th</sup> Floor P.O. Box 350 Trenton, NJ 08625 <a href="mailto:Mike.kammer@bpu.nj.gov">Mike.kammer@bpu.nj.gov</a></p>
<p><b>Christine Lin</b> Board of Public Utilities Office of the Economist 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 <a href="mailto:Christine.Lin@bpu.nj.gov">Christine.Lin@bpu.nj.gov</a></p>		

**DIVISION OF RATE COUNSEL**

<p><b>Brian Lipman, Esq.</b> Director Division of Rate Counsel 140 East Front Street, 4<sup>th</sup> Floor P.O. Box 003 Trenton, NJ 08625 <a href="mailto:blipman@rpa.nj.gov">blipman@rpa.nj.gov</a></p>	<p><b>Susan McClure, Esq.</b> Managing Attorney Water &amp; Wastewater Division of Rate Counsel 140 East Front Street - 4th Floor Trenton, NJ 08625 <a href="mailto:smcclure@rpa.nj.gov">smcclure@rpa.nj.gov</a></p>	<p><b>Marilyn Silva</b> Division of Rate Counsel 140 East Front Street, 4<sup>th</sup> Floor P.O. Box 003 Trenton, NJ 08625 <a href="mailto:msilva@rpa.nj.gov">msilva@rpa.nj.gov</a></p>
<p><b>Christine Juarez, Esq.</b> Division of Rate Counsel 140 East Front Street, 4<sup>th</sup> Floor P.O. Box 003 Trenton, NJ 08625 <a href="mailto:cjuarez@rpa.nj.gov">cjuarez@rpa.nj.gov</a></p>	<p><b>Emily Smithman, Esq.</b> Division of Rate Counsel 140 East Front Street, 4<sup>th</sup> Floor P.O. Box 003 Trenton, NJ 08625 <a href="mailto:esmithman@rpa.nj.gov">esmithman@rpa.nj.gov</a></p>	

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE APPLICATION :  
OF MIDDLESEX WATER COMPANY FOR :  
AUTHORITY TO ISSUE AND SELL UP TO :  
\$300.0 MILLION OF PRINCIPAL AMOUNT :  
DEBT SECURITIES :  
 : PETITION  
 : Docket No.  
 : WF2211\_\_\_\_\_

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 \$83.8 million in 2021.

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. The Company also owns subsidiaries that provide utility and utility-related services in Southampton Township in Burlington County, and portions of Delaware and Pennsylvania.

5. To ensure the provision of safe and reliable water service to its customers, Middlesex continually plans for ongoing upgrades, replacements and improvements to its water system. These plans include preparation of a perpetual five-year capital infrastructure expenditure budget that is based on engineering assessments, system studies and government regulatory requirements. The current five-year program, known as Water for Tomorrow, projects that Middlesex will spend approximately \$288.0 million through the year 2026 to replace aging infrastructure, remain compliant with water quality requirements and enhance service. A summary of the Water for Tomorrow capital program is attached hereto as Exhibit I.

6. The funding of the projected \$288.0 million infrastructure investment will require a combination of funds generated from operations, debt financings and equity issuances in order to maintain a balanced capital structure to continue to attract investor interest. Board approval for issuing equity securities is not being sought in this matter

7. In summary, 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 \$300.0 million in one or more negotiated transactions in the form of notes and/or first mortgage bonds through loans from the New Jersey State Revolving Fund (“NJSRF”) Program, the New Jersey Economic Development Authority (“NJEDA”), private placement and other financial institutions as needed in order to fund portions of its Water for Tomorrow capital program and other funding requirements. It is contemplated that the Company will issue debt securities in a series of one or more transaction offerings over a multi-year period

to accommodate the Company's construction timetable for the Water for Tomorrow capital program.

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

9. 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 \$300.0 million in the form of notes, first mortgage bonds and/or other debt securities through loans from the NJSRF Program, the NJEDA, private placement and other financial institutions as needed, with final maturity of each not to exceed 40 years from the date of issuance.

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

(a) To borrow up to an aggregate principal amount of \$300.0 million in loans from the NJSRF Program, the NJEDA, private placement and other financial institutions as needed in one or more negotiated transactions, and to make, execute and deliver to the one or more loan agreements therefor, and to make, execute and deliver to the placement agents one or more contracts of purchase in connection therewith, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder; and

(b) 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-Fifth Supplemental Indenture) dated as of November 1, 2021.

11. The Company proposes to use the proceeds of the above-referenced issuances to fund a part of the capital expenditures to be incurred in its Water For Tomorrow capital program for the upgrade, replacement and improvements to its water system.

12. As of June 30, 2022, 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 June 30, 2022 was \$21.07 per share. The closing market price on June 30, 2022 was \$87.68 per share.

13. As of June 30, 2022, the capital stock of the Company is shown on Exhibit C attached hereto. The preferences and other characteristics of the Preferred Stock are also set forth in Exhibit C attached hereto. Dividends paid upon the capital stock of the Company are shown on Exhibit D attached hereto.

14. 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 June 30, 2022 except as set forth in Exhibit A attached hereto.

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

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

17. 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.

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

Exhibit A - Balance Sheet at June 30, 2022.

Exhibit B - Statement of Income  
Twelve months ended June 30, 2022.

Exhibit C - Statement of Capital Stock and Long-Term  
Debt, June 30, 2022.

- Exhibit D - Statement of Cash Flows  
Twelve months ended June 30, 2022.
- Exhibit E - Interest Charged to Income Upon Each Kind  
of Indebtedness and Rate Thereon,  
Twelve months ended June 30, 2022.
- Exhibit F - Form of Resolution of  
the Company's Board of Directors.
- Exhibit G - Proposed Form of Order.
- Exhibit H - Proposed Timetable.
- Exhibit I - Water for Tomorrow Capital Projects Summary

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

Jay L. Kooper  
Vice President, General Counsel and Secretary  
Middlesex Water Company  
485C Route One South, Suite 400  
Iselin, New Jersey 08830  
E-Mail: [jkooper@middlesexwater.com](mailto:jkooper@middlesexwater.com)

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

- a. Borrow up to \$300.0 million and make, execute and deliver to the such loan agreements therefor and to make, execute and deliver to the placement agent as may be selected by negotiation, such contracts of purchase in connection therewith, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder; and
- b. Make, execute and deliver, 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

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

By:

Jay L. Kooper

Vice President, General Counsel & Secretary

Dated: November 4, 2022



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

	<u>June 30, 2022</u>
UTILITY PLANT	
Utility Plant in Service	\$ 1,043,735,425
Construction Work in Progress	<u>41,974,188</u>
TOTAL	1,085,709,613
Less Accumulated Depreciation	<u>223,748,662</u>
UTILITY PLANT NET	<u>861,960,951</u>
NONUTILITY PROPERTY NET	5,398,102
OTHER INVESTMENTS	5,755,790
CURRENT ASSETS:	
Cash and Cash Equivalents	4,320,450
Accounts Receivable	14,628,990
Materials and Supplies (at average cost)	5,707,162
Prepayments	4,074,761
Accrued Unbilled Revenues	<u>10,288,640</u>
TOTAL CURRENT ASSETS	<u>39,020,003</u>
DEFERRED DEBITS:	
Unamortized Debt Expense	5,119,484
Operating Lease Right of Use Assets	4,160,614
Regulatory Assets	102,022,664
Preliminary Survey & Investigation Charges	2,638,513
Other Deferred Debits	<u>91,389</u>
TOTAL DEFERRED DEBITS	<u>114,032,664</u>
TOTAL ASSETS	<u>\$ 1,026,167,510</u>

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

	<u>June 30, 2022</u>
<b>CAPITALIZATION</b>	
Common Equity:	
Common Stock	\$ 229,037,299
Retained Earnings	<u>156,530,593</u>
<b>TOTAL COMMON EQUITY</b>	<b>385,567,892</b>
Cumulative Preferred Stock	2,083,565
Long Term Debt	<u>310,530,304</u>
<b>TOTAL CAPITALIZATION</b>	<b><u>698,181,761</u></b>
<b>CURRENT LIABILITIES:</b>	
Current Portion of Long Term Debt	7,814,126
Accounts Payable	24,248,868
Notes Payable	27,500,000
Customer Deposits	465,095
Taxes Accrued	12,514,181
Interest Accrued	2,155,454
Unearned Revenues and Advanced Services	1,494,742
Dividends Declared	28,341
Other Current Liabilities	<u>2,608,729</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>78,829,536</u></b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>	
<b>DEFERRED CREDITS:</b>	
Customer Advances for Construction	22,918,602
Lease Obligations	4,035,538
Accumulated Deferred Income Taxes	74,470,865
Postretirement Costs	9,143,009
Regulatory Liabilities	29,450,328
Other Deferred Credits	<u>887,859</u>
<b>TOTAL DEFERRED CREDITS</b>	<b><u>140,906,201</u></b>
INJURIES AND DAMAGE RESERVE	192,564
CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>108,057,448</u>
<b>TOTAL LIABILITIES &amp; CAPITALIZATION</b>	<b><u>\$ 1,026,167,510</u></b>

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

	<u>June 30, 2022</u>
UTILITY PLANT	
Utility Plant in Service	\$ 722,816,760
Construction Work in Progress	29,536,824
	<hr/>
TOTAL	752,353,584
Less Accumulated Depreciation	162,982,555
	<hr/>
UTILITY PLANT NET	589,371,029
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NONUTILITY PROPERTY NET	45,316
OTHER INVESTMENTS	3,643,431
INVESTMENT IN SUBSIDIARY	94,547,459
	<hr/>
CURRENT ASSETS:	
Cash and Cash Equivalents	203,195
Accounts Receivable	14,753,211
Materials and Supplies (at average cost)	5,139,509
Prepayments	3,694,271
Notes Receivable - Intercompany	7,056,649
Accrued Unbilled Revenues	7,011,321
TOTAL CURRENT ASSETS	37,858,156
	<hr/>
DEFERRED DEBITS:	
Unamortized Debt Expense	4,837,440
Operating Lease Right of Use Assets	4,160,614
Regulatory Assets	98,256,304
Preliminary Survey & Investigation Charges	2,012,851
Other Deferred Debits	69,137
TOTAL DEFERRED DEBITS	109,336,346
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TOTAL ASSETS	\$ 834,801,737
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**Exhibit A****MIDDLESEX WATER COMPANY  
BALANCE SHEET****CAPITALIZATION AND LIABILITIES**

	<u>June 30, 2022</u>
<b>CAPITALIZATION</b>	
Common Equity:	
Common Stock	\$ 229,037,299
Retained Earnings	<u>156,530,593</u>
<b>TOTAL COMMON EQUITY</b>	<b>385,567,892</b>
Cumulative Preferred Stock	2,083,565
Long Term Debt	<u>258,569,329</u>
<b>TOTAL CAPITALIZATION</b>	<b><u>646,220,786</u></b>
<b>CURRENT LIABILITIES:</b>	
Current Portion of Long Term Debt	4,145,370
Accounts Payable	14,027,649
Notes Payable	21,500,000
Customer Deposits	86,299
Taxes Accrued	12,953,055
Interest Accrued	1,868,992
Dividends Declared	28,341
Other Current Liabilities	<u>2,008,860</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>56,618,566</u></b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>	
<b>DEFERRED CREDITS:</b>	
Customer Advances for Construction	2,318,860
Lease Obligations	4,035,538
Accumulated Deferred Income Taxes	71,206,844
Postretirement Benefits	9,143,009
Regulatory Liabilities	24,215,596
Other Deferred Credits	<u>899,760</u>
<b>TOTAL DEFERRED CREDITS</b>	<b><u>111,819,607</u></b>
INJURIES AND DAMAGE RESERVE	40,296
CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>20,102,482</u>
<b>TOTAL LIABILITIES &amp; CAPITALIZATION</b>	<b><u>\$ 834,801,737</u></b>

**Exhibit B**

MIDDLESEX WATER COMPANY  
STATEMENT OF INCOME  
TWELVE MONTHS ENDED JUNE 30, 2022

OPERATING REVENUES	\$ 91,969,577
OPERATIONS:	
Operations & Maintenance	46,595,232
Depreciation	16,826,757
Taxes, other than Income Taxes	14,517,223
Federal Income Taxes	(7,561,628)
TOTAL OPERATING EXPENSES	<u>70,377,584</u>
OPERATING INCOME	<u>21,591,993</u>
OTHER INCOME/(EXPENSE):	
Allowance for Funds Used During Construction - Equity	593,680
Other - net	<u>23,404,723</u>
INCOME BEFORE INTEREST CHARGES	<u>45,590,396</u>
INTEREST CHARGES:	
Interest on Long-term Debt	6,260,875
Amortization of Premium/Debt Expense, net	(187,129)
Allowance for Funds Used During Construction - Debt	(403,112)
Other Interest Charges	<u>238,791</u>
TOTAL INTEREST CHARGES	<u>5,909,425</u>
NET INCOME	39,680,971
Preferred Stock Dividend Requirements	<u>120,000</u>
Earnings Applicable to Common Stock	<u>\$ 39,560,971</u>
Earning per Share	\$ 2.26
Average Number of Shares Outstanding	17,530,526

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

June 30, 2022

## CAPITALIZATION:

## Common Stock, No Par Value

Shares Authorized - 40,000,000

Shares Outstanding - 17,604,122

TOTAL COMMON STOCK

\$ 229,037,299

## Cumulative Preferred Stock, No Par Value

Shares Authorized - 125,970

Shares Outstanding - 23,357

## 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%, Series EE, due August 1, 2023

\$ 589,081

3.00% to 5.50%, Series FF, due August 1, 2024

1,275,000

0.00%, Series GG, due August 1, 2026

441,711

4.00% to 5.00%, Series HH, due August 1, 2026

530,000

0.00%, Series II, due August 1, 2024

238,864

3.40% to 5.00%, Series JJ, due August 1, 2027

411,000

0.00%, Series KK, due August 1, 2028

617,441

5.00% to 5.50%, Series LL, due August 1, 2028

760,000

0.00%, Series MM, due August 1, 2030

803,202

3.00% to 4.375%, Series NN, due August 1, 2030

1,015,000

0.00%, Series OO, due August 1, 2031

1,454,915

2.00% to 5.00%, Series PP, due August 1, 2031

555,000

5.00%, Series QQ, due October 1, 2023

9,915,000

0.00%, Series TT, due August 1, 2032

1,605,424

3.00% to 3.25%, Series UU, due August 1, 2032

655,000

0.00%, Series VV, due August 1, 2033

1,670,067

3.00% to 5.00%, Series WW, due August 1, 2033

675,000

0.00%, Series XX, due August 1, 2047

9,741,083

3.00% to 5.00%, Series YY, due August 1, 2047

3,630,000

0.00%, Series 2018A, due August 1, 2047

5,928,268

3.00% to 5.00%, Series 2018B, due August 1, 2047

2,230,000

4.00% Series 2019A, due August 1, 2059

32,500,000

5.00% Series 2019B, due August 1, 2059

21,200,000

2.90% Series 2020A, due November 18, 2050

40,000,000

2.90% Series 2021B, due November 3, 2051

45,500,000

2.79% Series 2021A, due November 5, 2041

19,500,000

2.70% to 3.03% Series 2022A, due August 1, 2056

16,230,000

0.00% Series 2022B, due August 1, 2056

35,970,735

SUBTOTAL LONG-TERM DEBT

255,641,792

Add: Premium on Issuance of Long-term Debt

7,072,907

Less: Current Portion of Long-term Debt

(4,145,370)

TOTAL LONG-TERM DEBT

\$ 258,569,329

**MIDDLESEX WATER COMPANY  
STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income	\$ 39,680,971
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	16,826,757
Provision for Deferred Income Taxes	(10,895,348)
Equity Portion of AFUDC	(593,680)
Changes in Operating Assets and Liabilities	(9,593,967)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>35,424,733</u></b>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Utility Plant Expenditures	(49,559,487)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(49,559,487)</u></b>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Redemption of Long Term Debt	(48,768,027)
Proceeds from the Issuance of Long Term Debt	65,069,274
Short-term Bank Borrowings (Net)	6,500,000
Deferred Debt Issuance Expenses	(1,046,761)
Proceeds from Issuance of Common Stock	10,281,400
Notes Receivable, Intercompany	919,619
Payment of Common Dividends	(20,028,590)
Payment of Preferred Dividends	(120,000)
Customer Advances & Contributions-Net	359
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b><u>12,807,274</u></b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b><u>(1,327,479)</u></b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b><u>1,530,674</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 203,195</u></b>

MIDDLESEX WATER COMPANY  
INTEREST CHARGED TO INCOME  
UPON EACH KIND OF INDEBTEDNESS AND RATE THEREON  
TWELVE MONTHS ENDED JUNE 30, 2022

<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%	\$ (821)
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%	4,864
Series EE, due August 1, 2023	0.00%	-
Series FF, due August 1, 2024	3.00%-5.50%	35,493
Series GG, due August 1, 2026	0.00%	-
Series HH, due August 1, 2026	4.00%-5.00%	24,341
Series II, due August 1, 2024	0.00%	-
Series JJ, due August 1, 2027	3.40%-5.00%	19,285
Series KK, due August 1, 2028	0.00%	-
Series LL, due August 1, 2028	5.00%-5.50%	34,969
Series MM, due August 1, 2030	0.00%	-
Series NN, due August 1, 2030	3.00%-4.375%	39,562
Series OO, due August 1, 2031	0.00%	-
Series PP, due August 1, 2031	2.00%-5.00%	19,202
Series QQ, due October 1, 2023	5.00%	495,750
Series RR, due October 1, 2038	3.80%	163,875
Series SS, due October 1, 2047	4.25%	336,694
Series TT, due August 1, 2032	0.00%	-
Series UU, due August 1, 2032	3.00%-3.25%	20,433
Series VV, due August 1, 2033	0.00%	-
Series WW, due August 1, 2033	3.00%-5.00%	26,263
Series XX, due August 1, 2047	0.00%	-
Series YY, due August 1, 2047	3.00%-5.00%	125,383
Series 2018A, due August 1, 2047	0.00%	-
Series 2018B, due August 1, 2047	3.00%-5.00%	88,652
Series 2019A, due August 1, 2059	4.00%	1,300,000
Series 2019B, due August 1, 2059	5.00%	1,060,000
Series 2020A, due November 18, 2050	2.90%	1,160,000
Series 2021A, due November 5, 2041	2.79%	865,006
Series 2021B, due November 3, 2051	2.90%	356,655
Series 2022A, due August 1, 2056	2.70%-3.03%	75,103
Series 2022B, due August 1, 2056	0.00%	-
Construction Loans	0.00%	10,166
		6,260,875
 <u>OTHER INTEREST EXPENSE</u>		
Interest on Short-Debt		226,554
Other Interest		12,236
		238,791
 TOTAL INTEREST CHARGED TO INCOME UPON INDEBTEDNESS		\$ 6,499,666



MIDDLESEX WATER COMPANY  
BOARD OF DIRECTORS  
JULY 20, 2022

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 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 or other debt instruments to fund the proposed multi-year capital expenditures program up to the sum of \$300,000,000; and further

RESOLVED, that the proper Officers of the Company be, and they hereby are, authorized and directed to issue and deliver up to \$300,000,000 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 further

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 or, if necessary, multiple Petitions for approval of such transactions by the BPU in order to accomplish such purposes; and further

RESOLVED, that in addition to filing a Petition with the BPU, the Company through its proper Officers 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 other such steps and requirements; and further

RESOLVED, the Company through its proper Officers is hereby authorized and directed to retain outside legal counsel and select a counter party to negotiate the private placement of the First Mortgage Bonds to be issued in connection with such transaction and to take such other steps and requirements; and further

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 July 20, 2022.

  
\_\_\_\_\_  
Jay L. Kooper  
Secretary

IN THE MATTER OF THE APPLICATION	)	<u>ORDER OF APPROVAL</u>
OF MIDDLESEX WATER COMPANY FOR	)	<u>AUTHORIZING ISSUANCE</u>
AUTHORITY TO ISSUE AND SELL UP TO	)	<u>OF PRINCIPAL AMOUNT</u>
\$300.0 MILLION OF PRINCIPAL AMOUNT	)	<u>DEBT SECURITIES</u>
DEBT SECURITIES	)	
	)	DOCKET NO. WF2211 ____

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

Brian O. Lipman, 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”) on November 4, 2022, 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 \$300.0 million in one or more negotiated transactions in the form of notes and/or first mortgage bonds through loans from the New Jersey State Revolving Fund (“NJSRF”) Program, the New Jersey Economic Development Authority (“NJEDA”), private placement and other financial institutions as needed in one or more negotiated transactions, and to make, execute and deliver to the one or more loan agreements therefor, and to make, execute and deliver to the placement agent one or more contracts of purchase in connection therewith, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder; and
- b) To make, execute and deliver one or more Supplemental Indentures of Mortgage (“Supplemental Indentures”) to the Company’s Indenture Trustee, for purpose among other things, of issuing and describing the terms and conditions of the Company’s First Mortgage Bonds (“Company First Mortgage Bonds”).

Petitioner, to ensure the continued provision of safe and reliable water service to its customers, continuously plans for ongoing upgrades, replacements and improvements to its water system. These plans include preparation of a perpetual five-year capital infrastructure expenditure budget that is based on its engineering assessments, system studies and government regulatory requirements. The current five-year program, known as Water For Tomorrow, projects that Middlesex will spend approximately \$288.0 million through the year 2026 to replace aging infrastructure, remain compliant with water quality requirements, and enhance service. The funding of Middlesex’s projected \$288.0 million infrastructure investment will require a combination of funds generated from operations, debt financing and equity investments in order to maintain a balanced capital structure to continue to attract investor interest.

Therefore, the Company proposes as part of this overall plan to borrow up to \$300.0 million, in one or more negotiated transactions in the form of notes and/or first mortgage bonds through loans from the NJSRF Program, the NJEDA, private placement and other financial institutions as needed in order to fund portions of its Water For Tomorrow program. It is contemplated that the Company will issue debt securities in a series of one or more transaction offerings over a multi-year period to accommodate the Company construction timetable for the Water For Tomorrow program.

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

To evidence and secure the Company's obligation to repay the loans, the Company proposes to issue and deliver, in accordance with N.J.S.A. 48:3-5.9 and 48:3-9 and N.J.A.C. 14:1-5.9, up to \$300.0 million in the form of notes, first mortgage bonds and/or other debt securities through through loans from the NJSRF Program, the NJEDA, private placement and other financial institutions, as needed, with final maturity of each not to exceed 40 years from the date of issuance.

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 \$300.0 million in loans from the NJSRF Program, the NJEDA, private placement and other financial institutions as needed in one or more negotiated transactions, and to make, execute and deliver to the one or more loan agreements therefor, and to make, execute and deliver to the placement agents one or more contracts of purchase in connection therewith, if necessary, as well as such other documents as are reasonably required to perform its obligations thereunder; and
- b) Make, execute and deliver such Supplemental Indentures of Mortgage to the Company's Indenture Trustee or other such securitization as needed; and
- c) Obtain the relief requested in subparagraphs (a) and (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 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, 2025.

Dated:

Board of Public Utilities  
By:

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Joseph L. Fiordaliso  
President

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Mary-Anna Holden  
Commissioner

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Dianne Solomon  
Commissioner

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Robert M. Gordon  
Commissioner

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Dr. Zenon Christodoulou  
Commissioner

Attest:

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Carmen D. Diaz  
Acting Board Secretary

IN THE MATTER OF THE APPLICATION OF MIDDLESEX WATER COMPANY FOR  
AUTHORITY TO ISSUE UP TO \$300.0 MILLION OF DEBT SECURITIES

*Proposed Timetable  
To Issue Debt Through the Private Placement Market*

**Month One** - Middlesex files a debt financing petition with the New Jersey Board of Public Utilities (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  
AUTHORIZATION TO ISSUE \$300.0 MILLION OF DEBT SECURITIES  
WATER FOR TOMORROW CAPITAL PROGRAM**

EXHIBIT I

		Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	5 Year Budget
<b>Item 1 Distribution System</b>							
1.1	Projects-Developer Advanced (CAC)	\$630,000	\$475,000	\$0	\$0	\$0	\$1,105,000
1.2	Projects-Fully Funded by Others (CIAC)	\$637,000	\$0	\$0	\$0	\$0	\$637,000
1.3	Projects-Distribution Company Funded	\$7,603,500	\$16,603,000	\$10,556,500	\$17,245,000	\$28,128,025	\$80,136,025
1.4	RENEW Program	\$10,700,000	\$11,400,000	\$11,350,000	\$11,200,000	\$10,600,000	\$55,250,000
1.5	Blanket-T&D Mains & Valves	\$2,147,000	\$2,189,940	\$2,233,739	\$1,477,917	\$1,507,475	\$9,556,071
1.6	Blanket-Service Lines	\$2,051,000	\$2,092,020	\$2,133,860	\$2,176,538	\$2,220,068	\$10,673,486
1.7	Blanket-Hydrants	\$1,525,000	\$1,631,000	\$1,248,000	\$1,272,960	\$1,298,419	\$6,975,379
1.8	Blanket-Meters	\$2,865,000	\$3,017,500	\$1,600,000	\$1,685,000	\$1,782,000	\$10,949,500
1.9	Blanket-Meter Installations	\$2,550,000	\$7,682,500	\$7,810,000	\$7,940,000	\$8,070,000	\$34,052,500
<b>Subtotal Item 1 Distribution System</b>		<b>\$30,708,500</b>	<b>\$45,090,960</b>	<b>\$36,932,099</b>	<b>\$42,997,415</b>	<b>\$53,605,988</b>	<b>\$209,334,962</b>
<b>Item 2 Production System</b>							
2.1	Projects-Source of Supply	\$60,000	\$400,000	\$0	\$0	\$0	\$460,000
2.2	Projects-Pumping and Treatment	\$26,805,000	\$15,675,000	\$1,100,000	\$1,000,000	\$1,935,000	\$46,515,000
2.3	Projects-Remote Station	\$1,035,000	\$400,000	\$150,000	\$0	\$0	\$1,585,000
2.4	Blanket-Pumping Equipment	\$190,000	\$150,000	\$150,000	\$150,000	\$150,000	\$790,000
2.5	Blanket-Water Treatment Equipment	\$338,750	\$100,000	\$100,000	\$100,000	\$100,000	\$738,750
2.6	Blanket-Production Structures	\$139,000	\$50,000	\$50,000	\$50,000	\$50,000	\$339,000
2.7	Blanket-Wells	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Item 2 Production System</b>		<b>\$28,567,750</b>	<b>\$16,775,000</b>	<b>\$1,550,000</b>	<b>\$1,300,000</b>	<b>\$2,235,000</b>	<b>\$50,427,750</b>
<b>Item 3 Transportation Blanket</b>							
3.1	Blanket Transportation - Auto	\$428,000	\$185,000	\$66,000	\$238,000	\$428,000	\$1,345,000
3.2	Blanket Transportation - Truck	\$522,500	\$157,500	\$442,000	\$375,000	\$250,000	\$1,747,000
3.3	Blanket Transportation - Power Equipment	\$0	\$0	\$150,000	\$65,000	\$110,000	\$325,000
<b>Subtotal Item 3 Transportation Blanket</b>		<b>\$950,500</b>	<b>\$342,500</b>	<b>\$658,000</b>	<b>\$678,000</b>	<b>\$788,000</b>	<b>\$3,417,000</b>
<b>Item 4 Computer Systems</b>							
4.1	Blanket Computer Hardware Blanket	\$178,800	\$152,700	\$157,700	\$152,300	\$144,500	\$786,000
4.1	Blanket Computer Software Blanket	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
4.2	Blanket-ERP Improvements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
4.3	Blanket-GIS Improvements	\$95,000	\$30,000	\$75,000	\$20,000	\$75,000	\$295,000
4.4	Projects-IT	\$69,600	\$0	\$0	\$0	\$0	\$69,600
4.5	Projects - ERP Related	\$3,000,000	\$700,000	\$1,500,000	\$700,000	\$1,500,000	\$7,400,000
<b>Subtotal Item 4 Computer Sytems</b>		<b>\$3,473,400</b>	<b>\$1,012,700</b>	<b>\$1,862,700</b>	<b>\$1,002,300</b>	<b>\$1,849,500</b>	<b>\$9,200,600</b>
<b>Item 5 Security/Vulnerability Mitigation</b>							
5.1	Projects-Security / Vulernability Mititgation Projects	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Item 5 Security / Vulnerability Mitigation</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Item 6 General Equipment &amp; Plant</b>							
6.1	Blanket-General Equipment -Tools	\$459,700	\$50,000	\$50,000	\$50,000	\$50,000	\$659,700
6.2	Blanket-General Equipment -Furniture	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
6.3	Blanket-General Equipment -Lab Equipment	\$66,700	\$20,000	\$127,850	\$3,300	\$2,850	\$220,700
6.4	Blanket-General Structures & Other	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
6.5	Projects-General Structures & Other	\$575,000	\$3,000,000	\$6,500,000	\$0	\$0	\$10,075,000
<b>Subtotal Item 6 General Equipment &amp; Plant</b>		<b>\$1,111,400</b>	<b>\$3,100,000</b>	<b>\$6,707,850</b>	<b>\$83,300</b>	<b>\$82,850</b>	<b>\$11,085,400</b>
<b>Item 7 Tank Painting &amp; Improvements</b>							
7.1	Tank Painting & Improvements	\$0	\$2,000,000	\$2,500,000	\$0	\$0	\$4,500,000
<b>Subtotal Item 7 Tank Painting &amp; Improvements</b>		<b>\$0</b>	<b>\$2,000,000</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,500,000</b>
<b>Grand Total</b>		<b>\$64,811,550</b>	<b>\$68,321,160</b>	<b>\$50,210,649</b>	<b>\$46,061,015</b>	<b>\$58,561,338</b>	<b>\$287,965,712</b>

