

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended: March 31, 2000

Commission File
No. 0-422

MIDDLESEX WATER COMPANY

(Exact name of registrant as specified in its charter)

INCORPORATED IN NEW JERSEY

22-1114430

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1500 RONSON ROAD, ISELIN, NJ

08830

(Address of principal executive offices)

(Zip Code)

(732) 634-1500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that this registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 30 days.

YES [X] NO []

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date.

Class -----	Outstanding at March 31, 2000 -----
Common Stock, No Par Value	5,011,469

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MIDDLESEX WATER COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2000	1999	2000	1999
Operating Revenues	\$12,981,089	\$11,679,893	\$54,798,349	\$44,968,720
Operating Expenses:				
Operations	6,922,269	6,207,458	26,983,158	21,426,309
Maintenance	678,665	640,497	2,656,847	2,027,989
Depreciation	1,146,133	860,875	4,169,908	3,337,460
Other Taxes	1,668,390	1,529,849	7,009,646	6,217,111
Federal Income Taxes	514,369	495,198	3,208,064	2,812,236
Total Operating Expenses	10,929,826	9,733,877	44,027,623	35,821,105
Operating Income	2,051,263	1,946,016	10,770,726	9,147,615
Other Income:				
Allowance for Funds Used During Construction	17,176	486,222	880,970	1,402,463
Other - Net	37,355	212,978	385,368	919,193
Total Other Income	54,531	699,200	1,266,338	2,321,656
Income Before Interest Charges	2,105,794	2,645,216	12,037,064	11,469,271
Interest Charges	1,199,678	1,152,007	4,743,116	4,718,087
Net Income	906,116	1,493,209	7,293,948	6,751,184
Preferred Stock Dividend Requirements	63,697	79,697	284,786	318,786
Earnings Applicable to Common Stock	\$ 842,419	\$ 1,413,512	\$ 7,009,162	\$ 6,432,398
Earnings per share of Common Stock:				
Basic	\$ 0.17	\$ 0.29	\$ 1.42	\$ 1.43
Diluted	\$ 0.17	\$ 0.29	\$ 1.40	\$ 1.42
Average Number of Common Shares Outstanding :				
Basic	5,005,354	4,902,005	4,952,521	4,504,617
Diluted	5,176,924	5,128,431	5,160,156	4,731,043
Cash Dividends Paid per Common Share	\$ 0.30 1/2	\$ 0.29 1/2	\$ 1.20	\$ 1.16

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED BALANCE SHEETS

ASSETS AND OTHER DEBITS

	March 31, 2000	December 31, 1999
	----- (Unaudited)	-----
UTILITY PLANT:		
Water Production	\$ 64,959,055	\$ 70,316,961
Transmission and Distribution	130,980,247	122,002,931
General	19,908,704	19,717,575
Construction Work in Progress	1,123,492	2,858,703
	-----	-----
TOTAL	216,971,498	214,896,170
Less Accumulated Depreciation	36,176,260	35,174,531
	-----	-----
UTILITY PLANT-NET	180,795,238	179,721,639
	-----	-----
NONUTILITY ASSETS-NET	2,552,594	2,087,498
	-----	-----
CURRENT ASSETS:		
Cash and Cash Equivalents	3,797,660	5,169,772
Temporary Cash Investments-Restricted	5,601,444	5,731,827
Accounts Receivable (net of allowance for doubtful accounts)	5,190,339	5,969,546
Unbilled Revenues	2,686,562	2,627,863
Materials and Supplies (at average cost)	1,006,233	956,950
Prepayments and Other Current Assets	547,202	616,224
	-----	-----
TOTAL CURRENT ASSETS	18,829,440	21,072,182
	-----	-----
DEFERRED CHARGES:		
Unamortized Debt Expense	2,994,845	3,029,362
Preliminary Survey and Investigation Charges	471,315	472,287
Regulatory Assets		
Income Taxes	5,955,879	5,955,879
Post Retirement Costs	1,106,332	1,127,884
Other	1,757,668	1,568,934
	-----	-----
TOTAL DEFERRED CHARGES	12,286,039	12,154,346
	-----	-----
TOTAL	\$214,463,311	\$215,035,665
	=====	=====

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND OTHER CREDITS

	March 31, 2000 ----- (Unaudited)	December 31, 1999 -----
CAPITALIZATION (see accompanying statements)	\$156,486,858 -----	\$156,882,012 -----
CURRENT LIABILITIES:		
Current Portion of Long-term Debt	222,397	201,921
Notes Payable	2,500,000	2,000,000
Accounts Payable	1,934,027	3,392,432
Taxes Accrued	7,155,918	5,358,737
Interest Accrued	726,745	1,760,470
Other	1,361,108 -----	1,591,706 -----
TOTAL CURRENT LIABILITIES	13,900,195 -----	14,305,266 -----
DEFERRED CREDITS:		
Customer Advances for Construction	11,524,208	11,775,581
Accumulated Deferred Investment Tax Credits	2,069,995	2,089,650
Accumulated Deferred Federal Income Taxes	12,148,111	12,113,286
Employee Benefit Plans	4,901,048	4,656,575
Other	1,165,075 -----	1,059,206 -----
TOTAL DEFERRED CREDITS	31,808,437 -----	31,694,298 -----
CONTRIBUTIONS IN AID OF CONSTRUCTION	12,267,821 -----	12,154,089 -----
TOTAL	\$214,463,311 =====	\$215,035,665 =====

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED STATEMENTS OF CAPITALIZATION AND RETAINED EARNINGS

	March 31, 2000	December 31, 1999
	----- (Unaudited)	-----
CAPITALIZATION:		
Common Stock, No Par Value		
Shares Authorized, 10,000,000		
Shares Outstanding - 2000 - 5,011,469; 1999 - 5,000,589	\$ 47,929,789	\$ 47,593,514
Retained Earnings	22,212,450	22,895,844
	-----	-----
TOTAL COMMON EQUITY	70,142,239	70,489,358
	-----	-----
Cumulative Preference Stock, No Par Value		
Shares Authorized, 100,000; Shares Outstanding, None		
Cumulative Preferred Stock, No Par Value, Shares Authorized - 140,497		
Convertible:		
Shares Outstanding, \$7.00 Series - 14,881	1,562,505	1,562,505
Shares Outstanding, \$8.00 Series - 12,000	1,398,857	1,398,857
Nonredeemable:		
Shares Outstanding, \$7.00 Series - 1,017	101,700	101,700
Shares Outstanding, \$4.75 Series - 10,000	1,000,000	1,000,000
	-----	-----
TOTAL CUMULATIVE PREFERRED STOCK	4,063,062	4,063,062
	-----	-----
Long-term Debt:		
8.02% Amortizing Secured Note, due December 20, 2021	3,359,179	3,371,527
First Mortgage Bonds:		
7.25%, Series R, due July 1, 2021	6,000,000	6,000,000
5.20%, Series S, due October 1, 2022	12,000,000	12,000,000
5.25%, Series T, due October 1, 2023	6,500,000	6,500,000
6.40%, Series U, due February 1, 2009	15,000,000	15,000,000
5.25%, Series V, due February 1, 2029	10,000,000	10,000,000
5.35%, Series W, due February 1, 2038	23,000,000	23,000,000
0.00%, Series X, due August 1, 2018	1,009,775	1,024,986
4.53%, Series Y, due August 1, 2018	1,135,000	1,135,000
0.00%, SeriesZ, due September 1, 2019	2,150,000	2,150,000
5.25%, SerieAA, due September 1, 2019	2,350,000	2,350,000
	-----	-----
SUBTOTAL LONG-TERM DEBT	82,503,954	82,531,513
	-----	-----
Less: Current Portion of Long-term Debt	(222,397)	(201,921)
	-----	-----
TOTAL LONG-TERM DEBT	82,281,557	82,329,592
	-----	-----
TOTAL CAPITALIZATION	\$ 156,486,858	\$ 156,882,012
	=====	=====

	Three Months Ended March 31, 2000 ----- (Unaudited)	Year Ended December 31, 1999 -----
RETAINED EARNINGS:		
BALANCE AT BEGINNING OF PERIOD	\$22,895,844	\$21,222,294
Net Income	906,116	7,881,041
	-----	-----
TOTAL	23,801,960	29,103,335
	-----	-----
Cash Dividends:		
Cumulative Preferred Stock	63,697	300,786
Common Stock	1,525,813	5,857,405
Common Stock Expenses	0	49,300
	-----	-----
TOTAL DEDUCTIONS	1,589,510	6,207,491
	-----	-----
BALANCE AT END OF PERIOD	\$22,212,450	\$22,895,844
	=====	=====

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2000	1999	Twelve Months Ended March 31, 2000	1999
	-----	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	\$ 906,116	\$ 1,493,209	\$ 7,293,948	\$ 6,751,184
Adjustments to Reconcile Net Income to				
Net Cash Provided by Operating Activities:				
Depreciation and Amortization	1,238,674	942,050	4,599,816	3,854,933
Provision for Deferred Income Taxes	34,825	(139,285)	49,795	(111,256)
Allowance for Funds Used During Construction	(17,176)	(486,222)	(880,970)	(1,402,463)
Changes in Current Assets and Liabilities:				
Accounts Receivable	779,207	376,721	(680,993)	(424,848)
Accounts Payable	(1,458,405)	(669,047)	(1,248,585)	360,861
Accrued Taxes	1,797,181	1,633,605	301,644	324,891
Accrued Interest	(1,033,725)	(1,012,075)	37,490	113,498
Unbilled Revenues	(58,699)	44,040	(432,454)	(45,280)
Employee Benefit Plans	244,473	229,331	909,201	1,006,544
Other-Net	(218,834)	(237,288)	129,522	472,022
	-----	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,213,637	2,175,039	10,078,414	10,900,086
	-----	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:				
Utility Plant Expenditures*	(2,660,153)	(6,207,508)	(19,734,380)	(27,716,434)
Note Receivable	(7,500)	12,875	2,785,727	(1,591,078)
Preliminary Survey and Investigation Charges	972	(37,066)	(158,047)	(107,893)
Other-Net	(131,016)	(274,189)	(15,423)	(915,666)
	-----	-----	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(2,797,697)	(6,505,888)	(17,122,123)	(30,331,071)
	-----	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:				
Redemption of Long-term Debt	(27,559)	(11,289)	(88,000)	(43,678)
Proceeds from Issuance of Long-term Debt	--	--	4,500,000	2,185,000
Short-term Bank Borrowings	500,000	(1,000,000)	2,500,000	(3,063,614)
Deferred Debt Issuance Expenses	--	(1,107)	(21,161)	(503,307)
Temporary Cash Investments-Restricted	130,383	5,314,817	(1,140,189)	18,633,684
Proceeds from Issuance of Common Stock-Net	336,275	276,532	1,164,212	13,837,833
Payment of Common Dividends	(1,525,813)	(1,445,197)	(5,938,021)	(5,210,239)
Payment of Preferred Dividends	(63,697)	(79,696)	(284,787)	(318,785)
Construction Advances and Contributions-Net	(137,641)	476,184	1,561,098	1,081,826
	-----	-----	-----	-----

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(788,052)	3,530,244	2,253,152	26,598,720
	-----	-----	-----	-----
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,372,112)	(800,605)	(4,790,557)	7,167,735
	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,169,772	9,388,822	8,588,217	1,420,482
	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 3,797,660	\$ 8,588,217	\$ 3,797,660	\$ 8,588,217
	=====	=====	=====	=====

* Excludes Allowance for Funds Used During Construction

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:

Cash Paid During the Period for:

Interest (net of amounts capitalized)	\$ 2,166,191	\$ 1,644,621	\$ 3,658,981	\$ 3,047,999
Income Taxes	\$ 4,350	\$ 150,500	\$ 3,582,550	\$ 2,954,475

See Notes to Consolidated Financial Statements.

Note 1 - Summary of Significant Accounting Policies

Organization - Middlesex Water Company (Middlesex) is the parent company and sole shareholder of Tidewater Utilities, Inc. (Tidewater), Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc. (USA), and Utility Service Affiliates (Perth Amboy) Inc. (USA-PA). White Marsh Environmental Systems, Inc. is a wholly-owned subsidiary of Tidewater. The financial statements for Middlesex and its wholly owned subsidiaries (the Company) are reported on a consolidated basis. All intercompany accounts and transactions have been eliminated.

The consolidated notes accompanying the 1999 Form 10-K are applicable to this report and, in the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2000 and the results of operations and its cash flows for the periods ended March 31, 2000 and 1999. Information included in the Balance Sheet as of December 31, 1999, has been derived from the Company's audited financial statements included in its annual report on Form 10-K for the year ended December 31, 1999.

Note 2 - Regulatory Matters

On March 31, 2000, Tidewater amended its base rate increase petition from 38.3% to 21.2%. The original petition was filed with the Delaware Public Service Commission (PSC) in September 1999. The lower request is due mostly to lower than projected capital expenditures. Evidentiary hearings were held in mid-April 2000. Several issues that account for a large portion of the requested increase remain in dispute. These include return on equity, quality of service, utility plant and depreciation rates. Based on the hearing examiner's timetable, a decision is expected to be rendered in August 2000.

Note 3 - Capitalization

Common Stock - During the three months ended March 31, 2000, 10,880 common shares (\$0.3 million) were issued under the Company's Dividend Reinvestment and Common Stock Purchase Plan.

Note 4 - Earnings Per Share

Basic earnings per share (EPS) are computed on the basis of the weighted average number of shares outstanding. Diluted EPS assumes the conversion of both the Convertible Preferred Stock \$7.00 Series and the Convertible Preferred Stock \$8.00 Series.

	(In Thousands Except for per Share Amounts)							
	Three Months Ended March 31				Twelve Months Ended March 31			
Basic:	2000 Income	Shares	1999 Income	Shares	2000 Income	Shares	1999 Income	Shares
Net Income	\$ 906 (64) ----	5,005	\$1,493 (80) ----	4,902	\$7,294 (285) -----	4,953	\$6,751 (319) -----	4,505
Preferred Dividend Earnings Applicable to Common Stock	\$ 842	5,005	\$1,413	4,902	\$7,009	4,953	\$6,432	4,505
Basic EPS	\$0.17		\$0.29		\$1.42		\$1.43	
Diluted:								
Earnings Applicable to Common Stock	\$ 842	5,005	\$1,413	4,902	\$7,009	4,953	\$6,432	4,505
\$7.00 Series Dividend	26	89	26	89	104	89	104	89
\$8.00 Series Dividend	24	83	40	137	126	118	160	137
Adjusted Earnings Applicable to Common Stock	\$ 892	5,177	\$1,479	5,128	\$7,239	5,160	\$6,696	4,731
Diluted EPS	\$0.17		\$0.29		\$1.40		\$1.42	

Note 5 - Business Segment Data

The Company has identified two reportable segments. One is the regulated business of collecting, treating and distributing water on a retail and wholesale basis to residential, commercial, industrial and fire protection customers in parts of New Jersey and Delaware. It also operates a regulated wastewater system in New Jersey. The Company is subject to regulations as to its rates, services and other matters by the States of New Jersey and Delaware with respect to utility service within these States. The other segment is the non-regulated contract services for the operation and maintenance of municipal and private water and wastewater systems in New Jersey and Delaware. On January 1, 1999 the Company began operating the water and wastewater systems of the City of Perth Amboy, New Jersey under a service contract. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 1 to the Consolidated Financial Statements. Inter-segment transactions relating to operational costs are treated as pass through expenses. Finance charges on inter-segment loan activities are based on interest rates that are below what would normally be charged by a third party lender.

Operations by Segments:	(Thousands of Dollars)			
	Three Months Ended		Twelve Months Ended	
	2000	March 31, 1999	2000	March 31, 1999

Revenues:				
Regulated	\$ 11,291	\$ 9,919	\$47,419	\$ 42,884
Non - Regulated	1,699	1,772	7,415	2,114
Inter-segment Elimination	(9)	(11)	(36)	(29)
	-----	-----	-----	-----
Consolidated Revenues	\$ 12,981	\$ 11,680	\$ 54,798	\$ 44,969
	-----	-----	-----	-----
Operating Income:				
Regulated	\$ 1,969	\$ 1,808	\$ 9,900	\$ 8,869
Non - Regulated	82	138	871	279
Inter-segment Elimination	--	--	--	--
	-----	-----	-----	-----
Consolidated Operating Income	\$ 2,051	\$ 1,946	\$ 10,771	\$ 9,148
	-----	-----	-----	-----
Depreciation/Amortization:				
Regulated	\$ 1,134	\$ 855	\$ 4,139	\$ 3,332
Non - Regulated	12	6	31	5
Inter-segment Elimination	--	--	--	--
	-----	-----	-----	-----
Consolidated Depreciation/Amortization	\$ 1,146	\$ 861	\$ 4,170	\$ 3,337
	-----	-----	-----	-----
Other Income:				
Regulated	\$ 208	\$ 845	\$ 2,780	\$ 3,179
Non - Regulated	(3)	(5)	2	(5)
Inter-segment Elimination	(150)	(141)	(1,516)	(852)
	-----	-----	-----	-----
Consolidated Other Income	\$ 55	\$ 699	\$ 1,266	\$ 2,322
	-----	-----	-----	-----
Interest Expense:				
Regulated	\$ 1,337	\$ 1,224	\$ 5,206	\$ 4,952
Non - Regulated	21	51	175	165
Inter-segment Elimination	(159)	(123)	(638)	(399)
	-----	-----	-----	-----
Consolidated Interest Expense	\$ 1,199	\$ 1,152	\$ 4,743	\$ 4,718
	-----	-----	-----	-----
Net Income:				
Regulated	\$ 840	\$ 1,430	\$ 7,474	\$ 7,096
Non - Regulated	58	81	698	109
Inter-segment Elimination	8	(18)	(878)	(454)
	-----	-----	-----	-----
Consolidated Net Income	\$ 906	\$ 1,493	\$ 7,294	\$ 6,751
	-----	-----	-----	-----
Capital Expenditures:				
Regulated	\$ 2,190	\$ 6,208	\$ 19,255	\$ 27,658
Non - Regulated	470	150	479	208
Inter-segment Elimination	--	--	--	--
	-----	-----	-----	-----
Total Capital Expenditures	\$ 2,660	\$ 6,358	\$ 19,734	\$ 27,866
	-----	-----	-----	-----

	As of March 31, 2000	As of December 31, 1999
Assets:		
Regulated	\$ 232,907	\$ 231,650
Non - Regulated	2,901	2,405
Inter-segment Elimination	(21,345)	(19,019)
	-----	-----
Consolidated Assets	\$ 214,463	\$ 215,036
	-----	-----

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations - Three Months Ended March 31, 2000

Operating revenues for the three months ended March 31, 2000 were up \$1.3 million or 11.1% from the same period in 1999. Over 85% of the increase relates to rate increases in all our regulated service territories. Continued customer growth and consumption increases in our Delaware operations accounted for the balance of the revenue increase.

Offsetting higher revenues were increased operating expenses of \$1.2 million or 12.2% over last year. Operations expenses rose in all categories. In our New Jersey operations, higher treatment costs, additional labor and materials for winter main break repairs and increased employee benefit costs all contributed to push expenses higher. In Delaware, customer growth fueled the need for additional production, treatment and distribution systems and additional labor, which resulted in higher operation expenses.

Depreciation expense increased 33.1% over the same period from last year. The improvements to Middlesex primary treatment facility, the Carl J. Olsen Treatment Plant (CJO Plant), were placed in service July 1999 causing most of the \$0.3 million increase in depreciation expense.

Other taxes rose \$0.1 million or 9.1%, due to higher revenue related taxes in New Jersey. Federal income taxes were flat, which reflected a higher amount of deferred income tax expense, offsetting the effect of lower current taxable income.

Other income fell by over \$0.6 million compared to the same three-month period in 1999. With the completion of the CJO Plant, we ceased recording an Allowance for Funds Used During Construction (AFUDC) which resulted in a decrease of just under \$0.5 million. Interest income decreased by more than \$0.1 million due to a lower level of funds available for short-term investment.

The preferred stock dividend requirement decreased by 20% as a result of the partial exercise of the conversion feature of the \$8.00 Series of Preferred Stock in late 1999.

Net income fell 39.3% to \$0.9 million due mostly to the benefit of the net financing activity realized during the construction phase of the CJO Plant upgrade in the prior year.

Results of Operations - Twelve Months Ended March 31, 2000

Operating revenues for the twelve months ended March 31, 2000 were higher by \$9.8 million or 21.9%. The following factors contributed to this increase. The inclusion of USA-PA for the full twelve-month period contributed \$5.4 million to revenues. USA-PA began operation in January 1999. The rate increase implemented by Middlesex added \$4.5 million and rate increases in all other regulated subsidiaries accounted for \$0.2 million of additional revenues. Customer growth in Delaware contributed \$0.6 million in revenues. Drought related consumption decreases in New Jersey and a one-time refund to a large industrial customer offset revenue increases by \$0.9 million.

Total operating expenses increased \$8.2 million or 22.9%. Primary factors contributing to the increase included the inclusion of a full year of USA-PA's operating and maintenance expenses for \$4.1 million, higher salaries and wages of \$0.7 million due to overtime and increased employee levels and increased water production and treatment costs of \$0.6 million. Other operating and maintenance costs increased by \$0.9 million. Depreciation expense increased \$0.8 million or 24.9% as a result of the CJO Plant completion in July 1999.

Other Taxes increased \$0.8 million or 12.8%. The increase primarily relates to higher revenue-related taxes, employers' payroll taxes and the inclusion of USA-PA. Federal income taxes increased \$0.4 million or 14.1% as a result of a higher amount of deferred taxes and an increased amount of current income taxes.

Other income fell \$1.1 million with lower AFUDC and lower earnings on excess funds each accounting for approximately 50% of the decline.

The 10.7% decrease in preferred stock dividend requirements reflects the partial exercise of the conversion feature of the \$8.00 Series of Preferred Stock in late 1999. Basic and diluted earnings per share decreased slightly to \$1.42 and \$1.40, respectively. The \$0.02 per share dilution for the twelve months ended March 31, 2000 and 1999 is the result of the two series of convertible preferred stock currently outstanding.

Capital Resources

The Company's capital program for 2000 is estimated to be \$18.1 million and includes \$7.1 million for water system additions and improvements for our Delaware systems and \$2.2 million for the RENEW Program, which is our program to clean and cement line approximately nine miles of unlined mains in the Middlesex System. There is a total of approximately 160 miles of unlined mains in the 670 mile Middlesex System. Final expenditures on the upgrade to the CJO Plant are estimated at \$2.0 million. The capital program also includes and \$6.8 million for scheduled upgrades to our existing systems in New Jersey. The scheduled upgrades consists of \$1.0 million for mains, \$0.8 million for service lines, \$0.5 million for meters, \$0.4 million for hydrants, \$0.8 million for computer systems and \$3.3 million for various other items.

Liquidity

Middlesex issued \$4.5 million of First Mortgage Bonds in November 1999 through the New Jersey State Revolving Fund (SRF). \$2.2 million of that financing will be used to cover the cost of the 2000 RENEW Program. The balance will be used to fund the 2001 RENEW program. The capital program in Delaware will be financed through a combination of a capital contribution from Middlesex and long-term debt financing from either a financial institution or the Company. Other capital expenditures will be financed through internally generated funds and sale of common stock through the Dividend Reinvestment and Common Stock Purchase Plan (DRP). Capital expenditures of \$2.7 million have been incurred in the three months ended March 31, 2000. The Company may also utilize short-term borrowings through \$18.0 million of available lines of credit it has with two commercial banks for working capital purposes. At March 31, 2000, there was \$2.5 million outstanding against the lines of credit.

Accounting Standards

In June 1998, The Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts. The Company is currently evaluating the requirements of the accounting standard, which is required to be adopted in the first quarter of 2001.

Forward Looking Information

Certain matters discussed in this report on Form 10-Q are "forward-looking statements" intended to qualify for safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Such statements may address future plans, objective, expectations and events concerning various matters such as capital expenditures, earnings, litigation, growth potential, rate and other regulatory matters, liquidity and capital resources and accounting matters. Actual results in each case could differ materially from those currently anticipated in such statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures of Market Risk

The Company is subject to the risk of fluctuating interest rates in the normal course of business. Our policy is to manage interest rates through the use of fixed rate long-term debt and, to a lesser extent, short-term debt. The Company's interest rate risk related to existing fixed rate, long-term debt is not material due to the term of the majority of our First Mortgage Bonds, which have maturity dates ranging from 2009 to 2038. Over the next twelve months approximately \$0.2 million of the current portion of four existing long-term debt instruments will mature. Applying a hypothetical change in the rate of interest charged by 10% on those borrowings, would not have a material effect on earnings.

PART II. OTHER INFORMATION

- Item 1. Legal Proceedings
None
- Item 2. Changes in Securities
None.
- Item 3. Defaults upon Senior Securities
None.
- Item 4. Submission of Matters to a Vote of Security Holders
None.
- Item 5. Other Information
None
- Item 6. Exhibits and Reports on Form 8-K
(a) Exhibits: No. 27, Financial Data Schedule.
(b) Reports on Form 8-K: None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

MIDDLESEX WATER COMPANY
(Registrant)

/s/A. Bruce O'Connor

A. Bruce O'Connor

Vice President and Controller

Date: May 12, 2000

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0000066004
MIDDLESEX WATER COMPANY

	3-MOS	
	DEC-31-2000	
	MAR-31-2000	
	PER-BOOK	
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2,552,594		
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