

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-422

**MIDDLESEX WATER COMPANY**

(Exact name of registrant as specified in its charter)

**New Jersey**  
(State of incorporation)

**22-1114430**  
(IRS employer identification no.)

**1500 Ronson Road, Iselin, New Jersey 08830**  
(Address of principal executive offices, including 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 Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.  
Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

The number of shares outstanding of each of the registrant's classes of common stock, as of April 30, 2015: Common Stock, No Par Value: 16,141,954 shares outstanding.

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**MIDDLESEX WATER COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**  
**(In thousands except per share amounts)**

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Operating Revenues	\$ 28,780	\$ 27,173
Operating Expenses:		
Operations and Maintenance	16,087	15,437
Depreciation	2,947	2,815
Other Taxes	3,061	2,954
Total Operating Expenses	22,095	21,206
Operating Income	6,685	5,967
Other Income (Expense):		
Allowance for Funds Used During Construction	82	67
Other Income	39	11
Other Expense	(66)	(20)
Total Other Income, net	55	58
Interest Charges	1,058	1,103
Income before Income Taxes	5,682	4,922
Income Taxes	2,046	1,753
Net Income	3,636	3,169
Preferred Stock Dividend Requirements	36	43
Earnings Applicable to Common Stock	\$ 3,600	\$ 3,126
Earnings per share of Common Stock:		
Basic	\$ 0.22	\$ 0.20
Diluted	\$ 0.22	\$ 0.20
Average Number of Common Shares Outstanding:		
Basic	16,132	15,974
Diluted	16,288	16,178
Cash Dividends Paid per Common Share	\$ 0.1925	\$ 0.1900

See Notes to Condensed Consolidated Financial Statements

**MIDDLESEX WATER COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)  
(In thousands)

ASSETS		March 31, 2015	December 31, 2014
<b>UTILITY PLANT:</b>	Water Production	\$ 138,527	\$ 138,242
	Transmission and Distribution	380,651	378,154
	General	58,944	58,851
	Construction Work in Progress	10,339	8,145
	<b>TOTAL</b>	<b>588,461</b>	<b>583,392</b>
	Less Accumulated Depreciation	120,139	117,986
	<b>UTILITY PLANT - NET</b>	<b>468,322</b>	<b>465,406</b>
<b>CURRENT ASSETS:</b>	Cash and Cash Equivalents	5,046	2,673
	Accounts Receivable, net	10,643	10,012
	Unbilled Revenues	6,187	5,937
	Materials and Supplies (at average cost)	2,216	2,253
	Prepayments	1,543	1,989
	<b>TOTAL CURRENT ASSETS</b>	<b>25,635</b>	<b>22,864</b>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>	Unamortized Debt Expense	3,425	3,474
	Preliminary Survey and Investigation Charges	2,213	2,211
	Regulatory Assets	65,516	66,216
	Operations Contracts, Developer and Other Receivables	3,300	3,313
	Restricted Cash	1,596	2,573
	Non-utility Assets - Net	9,264	9,197
	Other	483	518
	<b>TOTAL DEFERRED CHARGES AND OTHER ASSETS</b>	<b>85,797</b>	<b>87,502</b>
	<b>TOTAL ASSETS</b>	<b>\$ 579,754</b>	<b>\$ 575,772</b>
<b>CAPITALIZATION AND LIABILITIES</b>			
<b>CAPITALIZATION:</b>	Common Stock, No Par Value	\$ 149,156	\$ 148,668
	Retained Earnings	49,117	48,623
	<b>TOTAL COMMON EQUITY</b>	<b>198,273</b>	<b>197,291</b>
	Preferred Stock	2,436	2,436
	Long-term Debt	137,811	136,039
	<b>TOTAL CAPITALIZATION</b>	<b>338,520</b>	<b>335,766</b>
<b>CURRENT LIABILITIES:</b>	Current Portion of Long-term Debt	6,092	5,910
	Notes Payable	15,000	19,000
	Accounts Payable	6,954	6,354
	Accrued Taxes	12,541	8,948
	Accrued Interest	454	1,134
	Unearned Revenues and Advanced Service Fees	851	839
	Other	1,752	1,687
	<b>TOTAL CURRENT LIABILITIES</b>	<b>43,644</b>	<b>43,872</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)</b>			
<b>DEFERRED CREDITS AND OTHER LIABILITIES:</b>	Customer Advances for Construction	21,927	21,978
	Accumulated Deferred Investment Tax Credits	891	910
	Accumulated Deferred Income Taxes	47,736	47,306
	Employee Benefit Plans	45,590	45,135
	Regulatory Liability - Cost of Utility Plant Removal	10,475	10,273
	Other	1,234	1,277
	<b>TOTAL DEFERRED CREDITS AND OTHER LIABILITIES</b>	<b>127,853</b>	<b>126,879</b>
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>		<b>69,737</b>	<b>69,255</b>
	<b>TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ 579,754</b>	<b>\$ 575,772</b>

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(In thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 3,636	\$ 3,169
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	3,256	3,010
Provision for Deferred Income Taxes and Investment Tax Credits	581	657
Equity Portion of Allowance for Funds Used During Construction (AFUDC)	(50)	(43)
Cash Surrender Value of Life Insurance	(48)	(21)
Stock Compensation Expense	116	97
Changes in Assets and Liabilities:		
Accounts Receivable	(618)	787
Unbilled Revenues	(250)	346
Materials & Supplies	37	(159)
Prepayments	446	267
Accounts Payable	600	(733)
Accrued Taxes	3,593	3,121
Accrued Interest	(680)	(700)
Employee Benefit Plans	1,000	(495)
Unearned Revenue & Advanced Service Fees	12	(56)
Other Assets and Liabilities	(200)	(886)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>11,431</b>	<b>8,361</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Utility Plant Expenditures, Including AFUDC of \$32 in 2015, \$24 in 2014	(4,885)	(4,165)
Restricted Cash	977	587
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,908)</b>	<b>(3,578)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Redemption of Long-term Debt	(1,046)	(929)
Proceeds from Issuance of Long-term Debt	3,000	211
Net Short-term Bank Borrowings	(4,000)	(950)
Proceeds from Issuance of Common Stock	372	385
Payment of Common Dividends	(3,105)	(3,034)
Payment of Preferred Dividends	(36)	(43)
Construction Advances and Contributions-Net	(335)	645
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(5,150)</b>	<b>(3,715)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>2,373</b>	<b>1,068</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,673</b>	<b>4,834</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 5,046</b>	<b>\$ 5,902</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:</b>		
Utility Plant received as Construction Advances and Contributions	\$ 766	\$ 44
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:</b>		
Cash Paid During the Year for:		
Interest	\$ 1,847	\$ 1,930
Interest Capitalized	\$ 32	\$ 24
Income Taxes	\$ —	\$ —

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CAPITAL STOCK**  
**AND LONG-TERM DEBT**  
**(Unaudited)**  
**(In thousands)**

	March 31, 2015	December 31, 2014
<b>Common Stock, No Par Value</b>		
Shares Authorized - 40,000		
Shares Outstanding - 2015 - 16,140	\$ 149,156	\$ 148,668
2014 - 16,124		
<b>Retained Earnings</b>		
	49,117	48,623
<b>TOTAL COMMON EQUITY</b>	<b>\$ 198,273</b>	<b>\$ 197,291</b>
<b>Cumulative Preferred Stock, No Par Value:</b>		
Shares Authorized - 126		
Shares Outstanding - 24		
<b>Convertible:</b>		
Shares Outstanding, \$7.00 Series - 10	\$ 1,007	\$ 1,007
Shares Outstanding, \$8.00 Series - 3	349	349
<b>Nonredeemable:</b>		
Shares Outstanding, \$7.00 Series - 1	80	80
Shares Outstanding, \$4.75 Series - 10	1,000	1,000
<b>TOTAL PREFERRED STOCK</b>	<b>\$ 2,436</b>	<b>\$ 2,436</b>
<b>Long-term Debt:</b>		
8.05%, Amortizing Secured Note, due December 20, 2021	\$ 1,778	\$ 1,825
6.25%, Amortizing Secured Note, due May 19, 2028	5,530	5,635
6.44%, Amortizing Secured Note, due August 25, 2030	4,317	4,387
6.46%, Amortizing Secured Note, due September 19, 2031	4,597	4,667
4.22%, State Revolving Trust Note, due December 31, 2022	421	421
3.60%, State Revolving Trust Note, due May 1, 2025	2,464	2,463
3.30% State Revolving Trust Note, due March 1, 2026	488	506
3.49%, State Revolving Trust Note, due January 25, 2027	518	536
4.03%, State Revolving Trust Note, due December 1, 2026	697	697
4.00% to 5.00%, State Revolving Trust Bond, due August 1, 2021	299	299
0.00%, State Revolving Fund Bond, due August 1, 2021	236	241
3.64%, State Revolving Trust Note, due July 1, 2028	313	313
3.64%, State Revolving Trust Note, due January 1, 2028	104	104
3.45%, State Revolving Trust Note, due August 1, 2031	1,090	1,115
6.59%, Amortizing Secured Note, due April 20, 2029	4,912	4,999
7.05%, Amortizing Secured Note, due January 20, 2030	3,708	3,771
5.69%, Amortizing Secured Note, due January 20, 2030	7,607	7,735
4.46%, Amortizing Secured Note, due April 20, 2040	11,000	8,000
3.75%, State Revolving Trust Note, due July 1, 2031	2,411	2,411
3.75%, State Revolving Trust Note, due November 30, 2030	1,276	1,276
<b>First Mortgage Bonds:</b>		
0.00%, Series X, due September 1, 2018	211	215
4.25% to 4.63%, Series Y, due September 1, 2018	245	245
0.00%, Series Z, due September 1, 2019	548	559
5.25% to 5.75%, Series AA, due September 1, 2019	700	700
0.00%, Series BB, due September 1, 2021	827	845
4.00% to 5.00%, Series CC, due September 1, 2021	1,025	1,025
0.00%, Series EE, due August 1, 2023	3,468	3,550
3.00% to 5.50%, Series FF, due August 1, 2024	4,900	4,900
0.00%, Series GG, due August 1, 2026	1,064	1,083
4.00% to 5.00%, Series HH, due August 1, 2026	1,390	1,390
0.00%, Series II, due August 1, 2024	861	881
3.40% to 5.00%, Series JJ, due August 1, 2027	1,090	1,090
0.00%, Series KK, due August 1, 2028	1,233	1,255
5.00% to 5.50%, Series LL, due August 1, 2028	1,435	1,435
0.00%, Series MM, due August 1, 2030	1,504	1,537
3.00% to 4.375%, Series NN, due August 1, 2030	1,755	1,755
0.00%, Series OO, due August 1, 2031	2,508	2,559
2.00% to 5.00%, Series PP, due August 1, 2031	850	850
5.00%, Series QQ, due October 1, 2023	9,915	9,915
3.80%, Series RR, due October 1, 2038	22,500	22,500
4.25%, Series SS, due October 1, 2047	23,000	23,000
0.00%, Series TT, due August 1, 2032	2,659	2,709
3.00% to 3.25%, Series UU, due August 1, 2032	975	975
0.00%, Series VV, due August 1, 2033	2,672	2,720
3.00% to 5.00%, Series WW, due August 1, 2033	935	935

SUBTOTAL LONG-TERM DEBT	142,036	140,029
Add: Premium on Issuance of Long-term Debt	1,867	1,920
Less: Current Portion of Long-term Debt	(6,092)	(5,910)
TOTAL LONG-TERM DEBT	\$ 137,811	\$ 136,039

See Notes to Condensed Consolidated Financial Statements.

**MIDDLESEX WATER COMPANY**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – Basis of Presentation and Recent Developments**

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

The consolidated notes within the 2014 Annual Report on Form 10-K (the 2014 Form 10-K) are applicable to these financial statements and, in the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary (including normal recurring accruals) to present fairly the financial position as of March 31, 2015 and the results of operations and cash flows for the three month periods ended March 31, 2015 and 2014. Information included in the Condensed Consolidated Balance Sheet as of December 31, 2014, has been derived from the Company's audited financial statements for the year ended December 31, 2014 included in the 2014 Form 10-K.

*Recent Accounting Guidance*

As previously disclosed in the 2014 Form 10-K, in May 2014, the Financial Accounting Standards Board (FASB) issued an update to authoritative guidance related to revenue from contracts with customers. The update replaces most of the existing guidance with a single set of principles for recognizing revenue from contracts with customers. The guidance is tentatively effective for the Company beginning January 1, 2017. In April 2015, the FASB disclosed that it will seek public comment on a proposal to defer the effective date of these new revenue recognition standards by one year to January 1, 2018.

In April 2015, the FASB issued an update to authoritative guidance related to the presentation of debt issuance costs on the balance sheet, requiring companies to present debt issuance costs as a direct deduction from the carrying value of debt, which the Company will adopt beginning January 1, 2016. The new guidance must be applied retrospectively to each prior period presented. The adoption of this guidance will have no impact on the Company's statement of income or cash flows and will not have a material impact on the Company's balance sheet.

There are no other new adopted or proposed accounting guidance that the Company is aware of that could have a material impact on the Company's financial statements.

**Note 2 – Rate and Regulatory Matters**

**Middlesex** - On March 31, 2015, Middlesex filed a petition with the New Jersey Board of Public Utilities (NJBPU) seeking permission to increase its base water rates by approximately \$9.5 million per year. The request was necessitated by declining consumption in its Commercial and Industrial class customers, increasing costs for active and retired employee benefits, capital infrastructure investments Middlesex has made, or has committed to make, and regulation-driven increases in other operations and maintenance costs. We cannot predict when and whether the NJBPU will ultimately approve, deny, or reduce the amount of the request. Under New Jersey statute, the NJBPU must render a decision within nine months of a petition filing.

Middlesex has in place a NJBPU-approved foundational filing (Foundational Filing) that allows the Company to implement a Distribution System Improvement Charge (DSIC) in six-month periods over three years. A DSIC is a rate-mechanism that allows water utilities to recover investments in, and generate a return on, qualifying capital improvements to their water distribution system made between base rate proceedings. The maximum annual revenue allowed to be recovered under the approved Foundational Filing is \$3.6 million. The DSIC rate for the first six-month period of qualifying expenditures is expected to generate annual revenues of \$0.3 million and be effective in May 2015.



**Tidewater** - Effective January 1, 2015, Tidewater implemented a Delaware Public Service Commission-approved DSIC rate increase that is expected to generate \$0.1 million of annual revenues.

### **Note 3 – Capitalization**

#### *Common Stock*

During the three months ended March 31, 2015 and 2014, there were 16,172 common shares (approximately \$0.4 million) and 18,919 common shares (approximately \$0.4 million), respectively, issued under the Company's Amended and Restated Dividend Reinvestment and Common Stock Purchase Plan.

#### *Long-term Debt*

In December 2014, the NJBPU approved Middlesex's request to borrow up to \$5.0 million through the New Jersey Environmental Infrastructure Trust (NJEIT) under the New Jersey State Revolving Fund (SRF) loan program. This loan is intended to fund the current year RENEW Program, which is our ongoing initiative to clean and cement all unlined mains in the Middlesex system. Due to administrative changes in the New Jersey SRF loan program, participants are now required to complete construction of the qualifying project prior to closing on a long-term loan or, in the alternative, enter into a construction loan agreement with the NJEIT until the project is complete. At that time, the construction loan can be rolled into the next NJEIT long-term loan. Middlesex is currently reviewing the impact of these new requirements. These changes, along with an assessment of the condition of the mains subject to rehabilitation under the current year RENEW Program, will delay the project until 2016. During the second quarter of 2015, Middlesex expects to file an update to its petition with the NJPBU seeking approval to modify the previous granted financing timetable to accommodate the New Jersey SRF loan program changes.

In October 2014, Tidewater completed a \$15.0 million debt transaction. The loan agreement, as amended, allows Tidewater to borrow, in increments at its discretion, until October 30, 2015. Through March 31, 2015, Tidewater has drawn down \$11.0 million, including \$3.0 million for the three months ended March 31, 2015, at a fixed interest rate of 4.46%. The proceeds were used to pay down short-term debt and for other general corporate purposes. The interest rate on any borrowings from the remaining \$4.0 million proceeds will be set at the time of the borrowing. Those funds are expected to be used to fund a portion of Tidewater's ongoing capital program. The final maturity date of all borrowings under this loan agreement is April 2040.

#### *Fair Value of Financial Instruments*

The following methods and assumptions were used by the Company in estimating its fair value disclosure for financial instruments for which it is practicable to estimate that value. The carrying amounts reflected in the condensed consolidated balance sheets for cash and cash equivalents, trade receivables, accounts payable and notes payable approximate their respective fair values due to the short-term maturities of these instruments. The fair value of the Company's long-term debt relating to First Mortgage and SRF Bonds (Bonds) is based on quoted market prices for similar issues. Under the fair value hierarchy, the fair value of cash and cash equivalents is classified as a Level 1 measurement and the fair value of the Bonds in the table below are classified as Level 2 measurements. The carrying amount and fair value of the Company's bonds were as follows:

	March 31, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
First Mortgage Bonds	\$ 88,271	\$ 90,557	\$ 88,628	\$ 90,115
SRF Bonds	\$ 535	\$ 537	\$ 540	\$ 542

For other long-term debt for which there was no quoted market price and there is not an active trading market, it was not practicable to estimate their fair value (for details, including carrying value, interest rate and due date on these series of long-term debt, please refer to those series noted as “Amortizing Secured Note” and “State Revolving Trust Note” on the Condensed Consolidated Statements of Capital Stock and Long-Term Debt). The carrying amount of these instruments was \$53.2 million at March 31, 2015 and \$50.8 million at December 31, 2014. Customer advances for construction have carrying amounts of \$21.9 million and \$22.0 million, respectively, at March 31, 2015 and December 31, 2014. Their relative fair values cannot be accurately estimated since future refund payments depend on several variables, including new customer connections, customer consumption levels and future rate increases.

**Note 4 – Earnings Per Share**

Basic earnings per share (EPS) are computed on the basis of the weighted average number of shares outstanding during the period presented. 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 per Share Amounts)			
	Three Months Ended March 31,			
	2015		2014	
	Income	Shares	Income	Shares
<b>Basic:</b>				
Net Income	\$ 3,636	16,132	\$ 3,169	15,974
Preferred Dividend	(36)		(43)	
Earnings Applicable to Common Stock	\$ 3,600	16,132	\$ 3,126	15,974
<b>Basic EPS</b>	\$ 0.22		\$ 0.20	
<b>Diluted:</b>				
Earnings Applicable to Common Stock	\$ 3,600	16,132	\$ 3,126	15,974
\$7.00 Series Preferred Dividend	17	115	24	163
\$8.00 Series Preferred Dividend	6	41	6	41
Adjusted Earnings Applicable to Common Stock	\$ 3,623	16,288	\$ 3,156	16,178
<b>Diluted EPS</b>	\$ 0.22		\$ 0.20	

**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, Delaware and Pennsylvania. This segment also includes regulated wastewater systems in New Jersey and Delaware. The Company is subject to regulations as to its rates, services and other matters by New Jersey, Delaware and Pennsylvania with respect to utility services within these states. The other segment is primarily comprised of non-regulated contract services for the operation and maintenance of municipal and private water and wastewater systems in New Jersey and Delaware. 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.

	(In Thousands)	
	Three Months Ended	
	March 31,	
Operations by Segments:	2015	2014
<b>Revenues:</b>		
Regulated	\$ 24,905	\$ 23,653
Non – Regulated	3,992	3,637
Inter-segment Elimination	(117)	(117)
<b>Consolidated Revenues</b>	<b>\$ 28,780</b>	<b>\$ 27,173</b>
<b>Operating Income:</b>		
Regulated	\$ 6,165	\$ 5,404
Non – Regulated	520	563
<b>Consolidated Operating Income</b>	<b>\$ 6,685</b>	<b>\$ 5,967</b>
<b>Net Income:</b>		
Regulated	\$ 3,377	\$ 2,881
Non – Regulated	259	288
<b>Consolidated Net Income</b>	<b>\$ 3,636</b>	<b>\$ 3,169</b>
<b>Capital Expenditures:</b>		
Regulated	\$ 4,885	\$ 4,134
Non – Regulated	—	31
<b>Total Capital Expenditures</b>	<b>\$ 4,885</b>	<b>\$ 4,165</b>
	As of	As of
	March 31,	December 31,
	2015	2014
<b>Assets:</b>		
Regulated	\$ 578,038	\$ 574,854
Non – Regulated	8,050	7,252
Inter-segment Elimination	(6,334)	(6,334)
<b>Consolidated Assets</b>	<b>\$ 579,754</b>	<b>\$ 575,772</b>

**Note 6 – Short-term Borrowings**

As of March 31, 2015, the Company has established lines of credit aggregating \$60.0 million. At March 31, 2015, the outstanding borrowings under these credit lines were \$15.0 million at a weighted average interest rate of 1.18%.

The weighted average daily amounts of borrowings outstanding under the Company's credit lines and the weighted average interest rates on those amounts were \$17.9 million and \$28.0 million at 1.17% and 1.45% for the three months ended March 31, 2015 and 2014, respectively.

The maturity dates for the \$15.0 million outstanding as of March 31, 2015 are all in April 2015 and are extendable at the discretion of the Company.

Interest rates for short-term borrowings under the lines of credit are below the prime rate with no requirement for compensating balances.

**Note 7 – Commitments and Contingent Liabilities***Water Supply*

Middlesex has an agreement with the New Jersey Water Supply Authority (NJWSA) for the purchase of untreated water through November 30, 2023, which provides for an average purchase of 27 million gallons a day (mgd). Pricing is set annually by the NJWSA through a public rate making process. The agreement has provisions for additional pricing in the event Middlesex overdrafts or exceeds certain monthly and annual thresholds.

Middlesex also has an agreement with a non-affiliated regulated water utility for the purchase of treated water. This agreement, which expires February 27, 2016, provides for the minimum purchase of 3 mgd of treated water with provisions for additional purchases. At the end of the agreement period, it is expected that the agreement will be extended for five years.

Tidewater contracts with the City of Dover, Delaware to purchase treated water 15.0 million gallons annually.

Purchased water costs are shown below:

	(In Thousands)	
	Three Months Ended	
	March 31,	
	2015	2014
Treated	\$ 730	\$ 778
Untreated	642	606
<b>Total Costs</b>	<b>\$ 1,372</b>	<b>\$ 1,384</b>

*Contract Operations* - USA-PA operates the City of Perth Amboy, New Jersey's (Perth Amboy) water and wastewater systems under a 20-year agreement, which expires in 2018. In connection with the agreement with Perth Amboy, USA-PA entered into a 20-year subcontract with a wastewater operating company for the operation and maintenance of the Perth Amboy wastewater collection system. The subcontract provides for the sharing of certain fixed and variable fees and operating expenses.

*Guarantees* - In September 2013, Middlesex entered into an agreement with the County of Monmouth, New Jersey (Monmouth County) to serve as guarantor of the performance of Applied Water Management, Inc. (AWM) to design, construct and operate a leachate pretreatment facility at the Monmouth County Reclamation Center in Tinton Falls, New Jersey. Middlesex expects to act as guarantor of AWM's performance through at least August 2018 and is contractually obligated to act as guarantor of AWM's performance through 2028 unless another guarantor, acceptable to Monmouth County, is identified. Construction of the facility is being financed by Monmouth County and began in September 2014. In addition, Middlesex entered into agreements with AWM and Natural Systems Utilities, Inc. (NSU), the parent company of AWM, whereby, Middlesex earns a fee for providing the guaranty of AWM's performance to Monmouth County, Middlesex provides operational support to the project, and AWM and NSU, serving as guarantor to Middlesex with respect to the performance of AWM, indemnify Middlesex against any claims that may arise under the Middlesex guaranty to Monmouth County.

Middlesex believes it is unlikely any payments would need to be made under Middlesex's guaranty of AWM's performance to Monmouth County. If asked to perform under the guaranty to Monmouth County, and, if AWM and NSU, as guarantor to Middlesex, do not fulfill their obligations to indemnify Middlesex against any claims that may arise under the Middlesex guaranty to Monmouth County, Middlesex would be required to fulfill the construction and operational commitments of AWM. As of March 31, 2015 and December 31, 2014, the liability recognized in Other Non-Current Liabilities on the balance sheet for the guaranty is approximately \$0.3 million.

*Construction*

The Company has budgeted approximately \$23.6 million for its construction program in 2015. The actual timing and amount of capital expenditures is dependent on project scheduling and refinement of engineering estimates for certain projects.

*Litigation*

The Company is a defendant in lawsuits in the normal course of business. We believe the resolution of pending claims and legal proceedings will not have a material adverse effect on the Company's consolidated financial statements.

*Change in Control Agreements*

The Company has Change in Control Agreements with certain of its officers that provide compensation and benefits in the event of termination of employment in connection with a change in control of the Company.

**Note 8 – Employee Benefit Plans***Pension Benefits*

The Company's Pension Plan covers all active employees hired prior to April 1, 2007. Employees hired after March 31, 2007 are not eligible to participate in this plan, but do participate in a defined contribution plan that provides an annual contribution at the discretion of the Company, based upon a percentage of the participants' compensation. In order to be eligible for contribution, the eligible employee must be employed by the Company on December 31st of the year to which the contribution relates. For the three months ended March 31, 2015, the Company did not make any Pension Plan cash contributions. For the three months ended March 31, 2014, the Company made Pension Plan cash contributions of \$0.5 million. The Company expects to make Pension Plan cash contributions of approximately \$3.3 million over the remainder of the current year. The Company also maintains an unfunded supplemental retirement benefit plan for certain active and retired Company officers and currently pays \$0.3 million in annual benefits to the retired participants.

*Other Postretirement Benefits*

The Company's retirement plan other than pensions (Other Benefits Plan) covers substantially all of its current retired employees. Employees hired after March 31, 2007 are not eligible to participate in this plan. Coverage includes healthcare and life insurance. For the three months ended March 31, 2015, the Company did not make any Other Benefits Plan cash contributions. For the three months ended March 31, 2014, the Company made Other Benefits Plan cash contributions of \$0.2 million. The Company expects to make Other Benefits Plan cash contributions of approximately \$1.7 million over the remainder of the current year.

The following tables set forth information relating to the Company's periodic costs for its employee retirement benefit plans:

	(In Thousands)			
	Pension Benefits		Other Benefits	
	Three Months Ended March 31,			
	2015	2014	2015	2014
Service Cost	\$ 639	\$ 473	\$ 343	\$ 258
Interest Cost	724	670	480	448
Expected Return on Assets	(980)	(883)	(527)	(484)
Amortization of Unrecognized Losses	411	104	565	353
Amortization of Unrecognized Prior Service Cost (Credit)	—	1	(432)	(432)
Net Periodic Benefit Cost	\$ 794	\$ 365	\$ 429	\$ 143

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements of Middlesex Water Company (Middlesex or the Company) included elsewhere herein and with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

### **Forward-Looking Statements**

Certain statements contained in this periodic report and in the documents incorporated by reference constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. The Company intends that these statements be covered by the safe harbors created under those laws. These statements include, but are not limited to:

- statements as to expected financial condition, performance, prospects and earnings of the Company;
- statements regarding strategic plans for growth;
- statements regarding the amount and timing of rate increases and other regulatory matters, including the recovery of certain costs recorded as regulatory assets;
- statements as to the Company's expected liquidity needs during the upcoming fiscal year and beyond and statements as to the sources and availability of funds to meet its liquidity needs;
- statements as to expected customer rates, consumption volumes, service fees, revenues, margins, expenses and operating results;
- statements as to financial projections;
- statements as to the expected amount of cash contributions to fund the Company's retirement benefit plans, anticipated discount rates and rates of return on retirement benefit plan assets;
- statements as to the ability of the Company to pay dividends;
- statements as to the Company's compliance with environmental laws and regulations and estimations of the materiality of any related costs;
- statements as to the safety and reliability of the Company's equipment, facilities and operations;
- statements as to the Company's plans to renew municipal franchises and consents in the territories it serves;
- statements as to trends; and
- statements regarding the availability and quality of our water supply.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from anticipated results and outcomes include, but are not limited to:

- the effects of general economic conditions;
- increases in competition in the markets served by the Company;
- the ability of the Company to control operating expenses and to achieve efficiencies in its operations;
- the availability of adequate supplies of water;
- actions taken by government regulators, including decisions on rate increase requests;
- new or additional water quality standards;
- weather variations and other natural phenomena;
- acts of war or terrorism;
- significant changes in the pace of housing development in Delaware;
- the availability and cost of capital resources; and
- other factors discussed elsewhere in this quarterly report.

Many of these factors are beyond the Company's ability to control or predict. Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements, which only speak to the Company's understanding as of the date of this report. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

For an additional discussion of factors that may affect the Company's business and results of operations, see Item 1A. - Risk Factors in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

## Overview

Middlesex Water Company (Middlesex) has operated as a water utility in New Jersey since 1897, in Delaware through our wholly-owned subsidiary, Tidewater Utilities, Inc. (Tidewater), since 1992 and in Pennsylvania through our wholly-owned subsidiary, Twin Lakes Utilities, Inc. (Twin Lakes), since 2009. We are in the business of collecting, treating and distributing water for domestic, commercial, municipal, industrial and fire protection purposes. We also operate two New Jersey municipal water and wastewater systems under contract and provide regulated wastewater services in New Jersey and Delaware through our subsidiaries. We are regulated as to rates charged to customers for water and wastewater services, as to the quality of water service we provide and as to certain other matters in New Jersey, Delaware and Pennsylvania. Only our Utility Service Affiliates, Inc. (USA), Utility Service Affiliates (Perth Amboy), Inc. (USA-PA) and White Marsh Environmental Services, Inc. (White Marsh) subsidiaries are not regulated utilities.

Our New Jersey water utility system (the Middlesex System) provides water services to approximately 60,000 retail customers, primarily in central New Jersey. The Middlesex System also provides water service under contract to municipalities in central New Jersey with a total population of approximately 219,000. Our Bayview subsidiary provides water services in Downe Township, New Jersey. Our other New Jersey subsidiaries, Pinelands Water Company (Pinelands Water) and Pinelands Wastewater Company (Pinelands Wastewater) (collectively, Pinelands), provide water and wastewater services to residents in Southampton Township, New Jersey.

We have an investment in a joint venture, Ridgewood Green RME, LLC, that owns and operates facilities to optimize the production of electricity at the Village of Ridgewood, New Jersey wastewater treatment plant and other municipal facilities.

In partnership with our subsidiary, USA-PA, we operate the water supply system and wastewater system for the City of Perth Amboy, New Jersey (Perth Amboy).

USA offers residential customers in New Jersey and Delaware water service line and sewer lateral maintenance programs (LineCare). USA entered into a marketing agreement, expiring in 2021, with HomeServe USA (HomeServe), a leading provider of home maintenance service programs to service, develop and grow USA's LineCare customer base. USA receives a service fee for the billing, cash collection and other administrative matters associated with HomeServe's service contracts. USA also operates the Borough of Avalon, New Jersey's (Avalon) water utility, sewer utility and storm water system. In addition to performing the day to day operations, USA is responsible for billing, collections, customer service, emergency responses and management of capital projects funded by Avalon. USA also provides unregulated water and wastewater services under contract with several New Jersey municipalities.

Our Delaware subsidiaries, Tidewater and Southern Shores Water Company, LLC (Southern Shores), provide water services to approximately 40,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Tidewater's subsidiary, White Marsh, services approximately 4,000 customers in Kent and Sussex Counties through various operations and maintenance contracts.

Our Tidewater Environmental Services, Inc. (TESI) subsidiary provides wastewater services to approximately 3,300 residential retail customers.

Our Pennsylvania subsidiary, Twin Lakes, provides water services to approximately 120 retail customers in the Township of Shohola, Pike County, Pennsylvania.

The majority of our revenue is generated from retail and contract water services to customers in our service areas. We record water service revenue as such service is rendered and include estimates for amounts unbilled at the end of the period for services provided after the last billing cycle. Fixed service charges are billed in advance by our subsidiary, Tidewater, and are recognized in revenue as the service is provided.

Our ability to increase operating income and net income is based significantly on four factors: weather, adequate and timely rate relief, effective cost management, and customer growth. These factors are evident in the discussions below which compare our results of operations with the prior period.

## Recent Developments

**Middlesex Base Water Rate Filing** - On March 31, 2015, Middlesex filed a petition with the New Jersey Board of Public Utilities (NJBPU) seeking permission to increase its base water rates by approximately \$9.5 million per year. The request was necessitated by declining consumption in its Commercial and Industrial class customers, increasing costs for active and retired employee benefits, capital infrastructure investments Middlesex has made, or has committed to make, and regulation-driven increases in other operations and maintenance costs. We cannot predict when and whether the NJBPU will ultimately approve, deny, or reduce the amount of the request. Under New Jersey statute, the NJBPU must render a decision within nine months of a petition filing.

**Middlesex Distribution System Improvement Charge** - Middlesex has in place a NJBPU-approved foundational filing (Foundational Filing) that allows the Company to implement a Distribution System Improvement Charge (DSIC) in six-month periods over three years. A DSIC is a rate-mechanism that allows water utilities to recover investments in, and generate a return on, qualifying capital improvements to their water distribution system made between base rate proceedings. The maximum annual revenue allowed to be recovered under the approved Foundational Filing is \$3.6 million. The DSIC rate for the first six-month period costs of qualifying expenditures is expected to generate \$0.3 million of annual revenues and be effective in May 2015.

**Tidewater DSIC** - Effective January 1, 2015, Tidewater implemented a Delaware Public Service Commission-approved DSIC rate increase that is expected to generate \$0.1 million of annual revenues.

## Outlook

Revenues in 2015 are expected to be favorably impacted by the following:

- The full year effect of Middlesex's and Tidewater's base water rate increases, which became effective in July 2014 and August 2014, respectively, TESI's Plantations system base wastewater rate increase effective in October 2014 and Tidewater's Dover Air Force Base contract, which Tidewater began serving in October 2014 (see Note 2 – Rate and Regulatory Matters in Middlesex's 2014 Annual Report on Form 10-K for further discussion on these matters); and
- The implementation of the Tidewater DSIC effective since January 1, 2015 and a Middlesex DSIC expected to be effective in May 2015 (see "*Recent Developments*" above regarding Tidewater's and Middlesex's DSIC);

Revenues and earnings are influenced by weather. Changes in water usage patterns, as well as increases in capital expenditures and operating costs, are significant factors in determining the timing and extent of rate increase requests. We continue to implement plans to further streamline operations and further reduce operating costs.

A market-driven lower discount rate, combined with the adoption of a new mortality table that reflects longer life expectancies, has resulted in higher employee retirement benefit plans expense in 2015.



Our strategy for profitable growth is focused on four key areas:

- Acquire investor- and municipally-owned water and wastewater utilities;
- Operate municipal and industrial water and wastewater systems under contract;
- Invest in renewable energy projects that are complementary to the provision of water and wastewater services, and to our core water and wastewater competencies; and
- Invest in other products, services and opportunities that complement our core water and wastewater competencies.

### Operating Results by Segment

The discussion of the Company's operating results is on a consolidated basis and includes significant factors by subsidiary. The Company has two operating segments, Regulated and Non-Regulated.

The segments in the tables included below consist of the following companies: Regulated-Middlesex, Tidewater, Pinelands, Southern Shores, TESI and Twin Lakes; Non-Regulated-USA, USA-PA, and White Marsh.

### Results of Operations – Three Months Ended March 31, 2015

	(In Thousands)					
	Three Months Ended March 31,					
	2015			2014		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	\$ 24,878	\$ 3,902	\$ 28,780	\$ 23,626	\$ 3,547	\$ 27,173
Operations and maintenance expenses	12,830	3,257	16,087	12,591	2,846	15,437
Depreciation expense	2,904	43	2,947	2,769	46	2,815
Other taxes	2,979	82	3,061	2,862	92	2,954
<b>Operating income</b>	<b>6,165</b>	<b>520</b>	<b>6,685</b>	<b>5,404</b>	<b>563</b>	<b>5,967</b>
Other income, net	55	—	55	58	—	58
Interest expense	1,036	22	1,058	1,079	24	1,103
Income taxes	1,807	239	2,046	1,502	251	1,753
<b>Net income</b>	<b>\$ 3,377</b>	<b>\$ 259</b>	<b>\$ 3,636</b>	<b>\$ 2,881</b>	<b>\$ 288</b>	<b>\$ 3,169</b>

### Operating Revenues

Operating revenues for the three months ended March 31, 2015 increased \$1.6 million from the same period in 2014. This increase was primarily related to the following factors:

- Middlesex System revenues increased \$0.6 million, primarily due to the following:
  - o Sales to General Metered Service (GMS) customers increased by \$0.7 million, resulting from a NJBPU-approved rate increase implemented in July 2014 (\$0.9 million) partially offset by lower GMS customer water demand (\$0.2 million); and
  - o Sales to Contract customers decreased by \$0.1 million, due to lower water demand (\$0.2 million) partially offset by a NJBPU-approved rate increase implemented in July 2014 (\$0.1 million);
- Tidewater System revenues increased \$0.7 million due to higher customer demand offset by decreased final rates implemented in August 2014 as compared to interim rates implemented in February 2014;
- USA-PA's revenues increased \$0.2 million, from scheduled fixed fees increases under our contract with the Perth Amboy (\$0.3 million) partially offset by lower revenues (\$0.1 million) under the same contract for supplemental services;

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- USA's revenues increased \$0.2 million, due to higher supplemental services revenues earned under our contract to operate the Avalon water utility, sewer utility and storm water system; and
- All other revenues decreased \$0.1 million.

### *Operation and Maintenance Expense*

Operation and maintenance expenses for the three months ended March 31, 2015 increased \$0.7 million from the same period in 2014, primarily related to the following factors:

- Employee benefit expenses increased \$0.7 million due to higher retirement plan costs resulting from a lower discount rate than in the prior year and the adoption of new mortality tables, reflecting longer life expectancies, both used in the calculation of the 2015 net periodic plan costs;
- Variable production costs decreased \$0.1 million, due to lower customer demand in our Middlesex System;
- Decreased cold weather main break activity, as compared to 2014, resulted in lower labor overtime costs of \$0.1 million and lower non-labor costs of \$0.2 million in our Middlesex System;
- USA-PA's operation and maintenance costs increased \$0.3 million, primarily due to higher subcontractor expenditures;
- USA's operation and maintenance costs increased \$0.2 million, due to expenditures for billable supplemental services under USA's contract to serve Avalon; and
- Operation and maintenance expenses for all other categories increased \$0.1 million.

### *Depreciation*

Depreciation expense for the three months ended March 31, 2015 increased \$0.1 million from the same period in 2014 due to a higher level of utility plant in service.

### *Other Taxes*

Other taxes for the three months ended March 31, 2015 rose by \$0.1 million from the same period in 2014, primarily due to higher revenue related taxes on increased revenues in our Middlesex system.

### *Other Income, net*

Other Income, net for the three months ended March 31, 2015 remained consistent with the same period in 2014.

### *Interest Charges*

Interest charges for the three months ended March 31, 2015 remained consistent with the same period in 2014, primarily due to higher interest on increased average long-term debt outstanding offset by lower interest on decreased average short-term debt outstanding.

### *Income Taxes*

Income taxes for the three months ended March 31, 2015 increased \$0.3 million from the same period in 2014, primarily due to increased operating income in 2015 as compared to 2014.

### *Net Income and Earnings Per Share*

Net income for the three months ended March 31, 2015 increased \$0.5 million as compared with the same period in 2014. Basic and diluted earnings per share were \$0.22 and \$0.20 for the three months ended March 31, 2015 and 2014, respectively.

## Liquidity and Capital Resources

### *Operating Cash Flows*

Cash flows from operations are largely based on four factors: weather, adequate and timely rate increases, effective cost management and growth. The effect of those factors on net income is discussed in “Results of Operations.”

For the three months ended March 31, 2015, cash flows from operating activities increased \$3.1 million to \$11.4 million. The increase in cash flows from operating activities primarily resulted from the timing of vendor payments, income tax payments and retirement benefit plan contributions. The \$11.4 million of net cash flow from operations enabled us to fund all utility plant expenditures internally for the period.

### *Capital Expenditures and Commitments*

To fund our capital program, we use internally generated funds, short-term and long-term debt borrowings, proceeds from sales of common stock under our Dividend Reinvestment and Common Stock Purchase Plan (DRP) and proceeds from sales offerings to the public of our common stock. See below for a more detailed discussion regarding the funding of our capital program.

The capital investment program for 2015 is currently estimated to be \$23.6 million. Through March 31, 2015, we have expended \$4.9 million and expect to incur approximately \$18.7 million for capital projects for the remainder of 2015.

We currently project that we may expend approximately \$72.0 million for capital projects in 2016 and 2017. The actual amount and timing of capital expenditures is dependent on project scheduling and refinement of engineering estimates for certain capital projects.

To fund our capital program for the remainder of 2015, we plan on utilizing:

- Internally generated funds.
- Proceeds from the sale of common stock through the DRP.
- Funds available and held in trust under existing New Jersey State Revolving Fund (SRF) loans (currently, \$0.4 million). SRF programs provide low cost financing for projects that meet certain water quality and system improvement benchmarks.
- Remaining funds available (\$4.0 million as of March 31, 2015) under Tidewater’s October 2014 loan (see “*Long-Term Debt*” in Note 6 – Capitalization for further discussion of this loan).
- Short-term borrowings, if necessary, through \$60.0 million of available lines of credit with several financial institutions. As of March 31, 2015, there remains \$45.0 million to draw upon.

**Recent Accounting Pronouncements** – See Note 1 of the Notes to Unaudited Condensed Consolidated Financial Statements for a discussion of recent accounting pronouncements.

### **Item 3. Quantitative and Qualitative Disclosures of Market Risk**

We are exposed to market risk associated with changes in interest rates and commodity prices. 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 final maturity dates ranging from 2018 to 2047. Over the next twelve months, approximately \$6.1 million of the current portion of 42 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 our earnings.

Our risks associated with commodity price increases for chemicals, electricity and other commodities are reduced through contractual arrangements and the ability to recover price increases through rates. Non-performance by these commodity suppliers could have a material adverse impact on our results of operations, financial position and cash flows.

We are exposed to credit risk for both our Regulated and Non-Regulated business segments. Our Regulated operations serve residential, commercial, industrial and municipal customers while our Non-Regulated operations engage in business activities with developers, government entities and other customers. Our primary credit risk is exposure to customer default on contractual obligations and the associated loss that may be incurred due to the non-payment of customer accounts receivable balances. Our credit risk is managed through established credit and collection policies which are in compliance with applicable regulatory requirements and involve monitoring of customer exposure and the use of credit risk mitigation measures such as letters of credit or prepayment arrangements. Our credit portfolio is diversified with no significant customer or industry concentrations. In addition, our Regulated businesses are generally able to recover all prudently incurred costs including uncollectible customer accounts receivable expenses and collection costs through rates.

The Company's retirement benefit plan assets are exposed to fluctuating market prices of debt and equity securities. Changes to the Company's retirement benefit plan assets' value can impact the Company's retirement benefit plan expense, funded status and future minimum funding requirements. Our risk is reduced through our ability to recover retirement benefit plan costs through rates.

### **Item 4. Controls and Procedures**

#### *Disclosure Controls and Procedures*

As required by Rule 13a-15 under the Securities and Exchange Act of 1934 (the Exchange Act), an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures was conducted by the Company's Chief Executive Officer along with the Company's Chief Financial Officer. Based upon that evaluation, the Company's Chief Executive Officer and the Company's Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this Report. There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding disclosure.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

None.

**Item 1A. Risk Factors**

The information about risk factors does not differ materially from those set forth in Part I, Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

10.32 Amended and Restated Loan Agreement between registrant, registrant's subsidiaries and PNC Bank, N.A.

10.35(a) First Amendment to Promissory Note and Supplement for a committed line of credit between registrant's wholly-owned subsidiary, Tidewater Utilities, Inc. and CoBank, ACB.

31.1 Section 302 Certification by Dennis W. Doll pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.

31.2 Section 302 Certification by A. Bruce O'Connor pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.

32.1 Section 906 Certification by Dennis W. Doll pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.2 Section 906 Certification by A. Bruce O'Connor pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

101.INS XBRL Instance Document

101.SCH XBRL Schema Document

101.CAL XBRL Calculation Linkbase Document

101.LAB XBRL Labels Linkbase Document

101.PRE XBRL Presentation Linkbase Document

101.DEF XBRL Definition Linkbase Document

**SIGNATURES**

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

MIDDLESEX WATER COMPANY

By: /s/A. Bruce O'Connor  
A. Bruce O'Connor  
Vice President, Treasurer and  
Chief Financial Officer  
(Principal Accounting Officer)

Date: May 1, 2015



## Amended and Restated Loan Agreement

**THIS AMENDED AND RESTATED LOAN AGREEMENT** (the “**Agreement**”), is entered into as of April 29, 2015, between **MIDDLESEX WATER COMPANY, PINELANDS WASTEWATER COMPANY, PINELANDS WATER COMPANY, TIDEWATER ENVIRONMENTAL SERVICES, INC., TIDEWATER UTILITIES, INC. UTILITY SERVICE AFFILIATES (PERTH AMBOY) INC., UTILITY SERVICE AFFILIATES INC.,** and **WHITE MARSH ENVIRONMENTAL SYSTEMS, INC.** (individually and collectively, the “**Borrower**”), with an address at 1500 Ronson Road, Iselin, NJ 08330-3020, and **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), with an address at Two Tower Center Boulevard, East Brunswick, New Jersey 08816. This Loan Agreement amends, restates and replaces (but does not constitute a novation of or affect the status or lien priority of any liens or security interest granted pursuant to) an existing Letter Agreement between Middlesex Water Company and the Bank dated August 27, 2001 (as amended, modified, extended or renewed from time to time, the “**Existing Loan Agreement**”), and the Borrower’s execution of this Loan Agreement constitutes a ratification and confirmation of all liens and security interest granted under or pursuant to the Existing Loan Agreement.

The Borrower and the Bank, with the intent to be legally bound, agree as follows:

**1. Loan.** The Bank has made or may make one or more loans (“**Loan**”) to the Borrower subject to the terms and conditions and in reliance upon the representations and warranties of the Borrower set forth in this Agreement. Each Loan is or will be evidenced by a promissory note or notes of the Borrower and all renewals, extensions, amendments and restatements thereof (whether one or more, collectively, the “**Note**”) acceptable to the Bank, which shall set forth the interest rate, repayment and other provisions of the respective Loan, the terms of which are incorporated into this Agreement by reference.

The Loan governed by this Agreement shall include, but is not limited to, the following, together with any additional lines of credit or term loans that Bank may, in its sole discretion, make to Borrower in the future (each additional line of credit or term loan shall be referred to as an “**Additional Loan**” and shall be a Loan governed hereby):

**1.1 Line of Credit.** One of the Loans governed by this Agreement is a committed revolving line of credit under which the Borrower may request and the Bank, subject to the terms and conditions of this Agreement, will make advances to the Borrower from time to time until the Expiration Date, in an aggregate amount outstanding at any time not to exceed \$20,000,000.00 (the “**Line of Credit**”). The “**Expiration Date**” shall mean January 31, 2016, or such later date as may be designated by the Bank by written notice from the Bank to the Borrower. The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Line of Credit beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under the Line of Credit exceed the face amount of the Line of Credit. Advances under the Line of Credit will be used for working capital or other general business purposes of the Borrower. Notwithstanding anything to the contrary stated in the note evidencing the Line of Credit, the Borrower shall repay the outstanding principal balance of the Line of Credit, together with all accrued and unpaid interest thereon, in an amount sufficient to reduce the outstanding principal balance thereof to zero, for a period of at least thirty (30) consecutive days prior to the original Expiration Date, and annually thereafter if the Expiration Date is extended, at the Bank’s sole discretion.

**2. Security.** The security for repayment of the Loan shall include but not be limited to the collateral, guaranties and other documents heretofore, contemporaneously or hereafter executed and delivered to the Bank (the “**Security Documents**”), which shall secure repayment of the Loan all other loans, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Bank or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency,

reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument; (ii) arising under any agreement, instrument or document; (iii) for the payment of money; (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee; (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement; (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner; or (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Bank to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Bank's non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of the Bank incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys' fees and expenses (hereinafter referred to collectively as the "**Obligations**"). Unless expressly provided to the contrary in documentation for any other loan or loans, it is the express intent of the Bank and the Borrower that all Obligations including those included in the Loan be cross-collateralized and cross-defaulted, such that collateral securing any of the Obligations shall secure repayment of all Obligations, and a default under any Obligation shall be a default under all Obligations.

This Agreement, the Note, the Security Documents and all other agreements and documents executed and/or delivered pursuant or subject hereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the "**Loan Documents**." Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

**3. Representations and Warranties.** The Borrower hereby makes the following representations and warranties, which shall be continuing in nature and remain in full force and effect until the Obligations are paid in full, and which shall be true and correct except as otherwise set forth on the Addendum attached hereto and incorporated herein by reference (the "**Addendum**");

**3.1. Existence, Power and Authority.** If not a natural person, the Borrower is duly organized, validly existing and in good standing under the laws of the State of its incorporation or organization and has the power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing. The Borrower is duly authorized to execute and deliver the Loan Documents, all necessary action to authorize the execution and delivery of the Loan Documents has been properly taken, and the Borrower is and will continue to be duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

**3.2. Financial Statements.** The Borrower has delivered or caused to be delivered to the Bank its most recent Financial Statements (as defined herein). The Financial Statements are true, complete and accurate in all material respects and fairly present the Borrower's financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise and the results of the Borrower's operations for the period specified therein. The Financial Statements have been prepared in accordance with generally accepted accounting principles in effect from time to time ("**GAAP**") consistently applied from period to period, subject in the case of interim statements to normal year-end adjustments and to any comments and notes acceptable to the Bank in its sole discretion. As used herein, "**Financial Statements**" shall mean (i) with respect to an entity that is not a natural person, consolidated and, if required by the Bank in its sole discretion, consolidating balance sheets statements of income and cash flows for the year, month or quarter together with year-to-date figures and comparative figures for the corresponding periods of the prior year, prepared in accordance with GAAP, consistently applied from period to period; and (ii) with respect to natural persons, means personal financial statement and federal income tax returns.



**3.3. No Material Adverse Change.** Since the date of the most recent Financial Statements, the Borrower has not suffered any damage, destruction or loss, and no event or condition has occurred or exists, which has resulted or could result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operation.

**3.4. Binding Obligations.** The Borrower has full power and authority to enter into the transactions provided for in this Agreement and has been duly authorized to do so by appropriate action of its Board of Directors if the Borrower is a corporation, its members and/or managers, as applicable, if the Borrower is a limited liability company, all its general partners if the Borrower is a partnership or otherwise as may be required by law, charter, other organizational documents or agreements; and the Loan Documents, when executed and delivered by the Borrower, will constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their terms.

**3.5. No Defaults or Violations.** There does not exist any Default or Event of Default, as hereinafter defined, under this Agreement or any default or violation by the Borrower of or under any of the terms, conditions or obligations of: (i) its partnership agreement if the Borrower is a partnership, its articles or certificate of incorporation, regulations and bylaws if the Borrower is a corporation, its articles or certificate of organization and operating agreement if the Borrower is a limited liability company, or its other organizational documents as applicable; (ii) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which it is a party or by which it is bound; or (iii) any law, ordinance, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon it by any law, the action of any court or any governmental authority or agency; and the consummation of this Agreement and the transactions set forth herein will not result in any such default or violation or Event of Default.

**3.6. Title to Assets.** The Borrower has good and marketable title to the assets reflected on the most recent Financial Statements, free and clear of all liens and encumbrances, except for (i) current taxes and assessments not yet due and payable; (ii) assets disposed of by the Borrower in the ordinary course of business since the date of the most recent Financial Statements; and (iii) those liens or encumbrances, if any, specified on the Addendum.

**3.7. Litigation.** There are no actions, suits, proceedings or governmental investigations pending or, to the knowledge of the Borrower, threatened against the Borrower, which could result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operations and there is no basis known to the Borrower for any action, suit, proceeding or investigation which could result in such a material adverse change. All pending and threatened litigation against the Borrower is listed on the Addendum attached hereto.

**3.8. Tax Returns.** The Borrower has filed all returns and reports that are required to be filed by it in connection with any federal, state or local tax, duty or charge levied, assessed or imposed upon it or its property or withheld by it, including income, unemployment, social security and similar taxes, and all of such taxes have been either paid or adequate reserves or other provision has been made therefor.

**3.9. Employee Benefit Plans.** Each employee benefit plan as to which the Borrower may have any liability complies in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974 (as amended from time to time, "ERISA"), including minimum funding requirements, and (i) no Prohibited Transaction (as defined under ERISA) has occurred with respect to any such plan; (ii) no Reportable Event (as defined under Section 4043 of ERISA) has occurred with respect to any such plan which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Section 4042 of ERISA; (iii) the Borrower has not withdrawn from any such plan or initiated steps to do so; and (iv) no steps have been taken to terminate any such plan.

**3.10. Environmental Matters.** The Borrower is in compliance, in all material respects, with all Environmental Laws (as hereinafter defined), including, without limitation, all Environmental Laws in jurisdictions

in which the Borrower owns or operates, or has owned or operated, a facility or site, stores Collateral, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other waste, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. Except as otherwise disclosed on the Addendum, no litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best of the Borrower's knowledge, threatened against the Borrower, any real property in which the Borrower holds or has held an interest or any past or present operation of the Borrower. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or to the best of the Borrower's knowledge has occurred, on, under or to any real property in which the Borrower holds or has held any interest or performs or has performed any of its operations, in violation of any Environmental Law. As used in this Section, "**litigation or proceeding**" means any demand, claim notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by a governmental authority or other person, and "**Environmental Laws**" means all provisions of laws, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by any governmental authority concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

**3.11. Intellectual Property.** The Borrower owns or is licensed to use all patents, patent rights, trademarks, trade names, service marks, copyrights, intellectual property, technology, know-how and processes necessary for the conduct of its business as currently conducted that are material to the condition (financial or otherwise), business or operations of the Borrower.

**3.12. Regulatory Matters.** No part of the proceeds of any Loan will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time in effect or for any purpose which violates the provisions of the Regulations of such Board of Governors.

**3.13. Solvency.** As of the date hereof and after giving effect to the transactions contemplated by the Loan Documents, (i) the aggregate value of the Borrower's assets will exceed its liabilities (including contingent, subordinated, unmatured and unliquidated liabilities); (ii) the Borrower will have sufficient cash flow to enable it to pay its debts as they become due; and (iii) the Borrower will not have unreasonably small capital for the business in which it is engaged.

**3.14. Disclosure.** None of the Loan Documents contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Loan Documents not misleading. There is no fact known to the Borrower which materially adversely affects or, so far as the Borrower can now foresee, might materially adversely affect the business, assets, operations, condition (financial or otherwise) or results of operation of the Borrower and which has not otherwise been fully set forth in this Agreement or in the Loan Documents.

**4. Affirmative Covenants.** The Borrower agrees that from the date of execution of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, the Borrower will:

**4.1. Books and Records.** Maintain books and records in accordance with GAAP and give representatives of the Bank access thereto at all reasonable times, including permission to examine, copy and make abstracts from any of such books and records and such other information as the Bank may from time to time reasonably request, and the Borrower will make available to the Bank for examination copies of any reports, statements and returns which the Borrower may make to or file with any federal, state or local governmental department, bureau or agency.

**4.2. Financial Reporting.** Deliver or cause to be delivered to the Bank the Financial Statements, reports and certifications, if any, set forth on the Addendum.

4.3. **Payment of Taxes and Other Charges.** Pay and discharge when due all indebtedness and all taxes, assessments, charges, levies and other liabilities imposed upon the Borrower, its income, profits, property or business, except those which currently are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside adequate reserves or made other adequate provision with respect thereto acceptable to the Bank in its sole discretion.

4.4. **Maintenance of Existence, Operation and Assets.** Do all things necessary to (i) maintain, renew and keep in full force and effect its organizational existence and all rights, permits and franchises necessary to enable it to continue its business as currently conducted; (ii) continue in operation in substantially the same manner as at present; (iii) keep its properties in good operating condition and repair; and (iv) make all necessary and proper repairs, renewals, replacements, additions and improvements thereto.

4.5. **Insurance.** Maintain, with financially sound and reputable insurers, insurance with respect to its property and business against such casualties and contingencies, of such types and in such amounts, as is customary for established companies engaged in the same or similar business and similarly situated. In the event of a conflict between the provisions of this Section and the terms of any Security Documents relating to insurance, the provisions in the Security Documents will control.

4.6. **Compliance with Laws.** Comply with all laws applicable to the Borrower and to the operation of its business (including without limitation any statute, ordinance, rule or regulation relating to employment practices, pension benefits or environmental, occupational and health standards and controls).

4.7. **Bank Accounts.** Establish and maintain at the Bank the Borrower's primary depository accounts.

4.8. **Financial Covenants.** Comply with all of the financial and other covenants, if any, set forth on the Addendum.

4.9. **Additional Reports.** Provide prompt written notice to the Bank of the occurrence of any of the following (together with a description of the action which the Borrower proposes to take with respect thereto): (i) any Event of Default or any event, act or condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (a "Default"); (ii) any litigation filed by or against the Borrower; (iii) any Reportable Event or Prohibited Transaction with respect to any Employee Benefit Plan(s) (as defined in ERISA) or (iv) any event which might result in a material adverse change in the business, assets, operations, condition (financial or otherwise) or results of operation of the Borrower.

5. **Negative Covenants.** The Borrower covenants and agrees that from the date of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, except as set forth in the Addendum, the Borrower will not, without the Bank's prior written consent:

5.1. **Indebtedness.** Create, incur, assume or suffer to exist any indebtedness for borrowed money other than:

- (i) the Loan and any subsequent indebtedness to the Bank;
- (ii) open account trade debt incurred in the ordinary course of business and not past due;
- (iii) other indebtedness in the form of existing or future New Jersey Economic Development Authority ("NJEDA") or New Jersey Environmental Infrastructure Trust ("NJEIT") Bond transactions; and
- (iv) indebtedness in respect of purchase money financings of personal property of the Borrower.

(v) other existing or future indebtedness in an aggregate principal amount not to exceed \$40,000,000.00.

5.2. **Liens and Encumbrances.** Except as provided in **Section 3.6**, create, assume, incur or permit to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any of its property, now owned or hereafter acquired, or acquire or agree to acquire any kind of property subject to any conditional sales or other title retention agreement, except (a) liens and encumbrances securing purchase money indebtedness permitted pursuant to **Section 5.1(iv)** above, (b) liens and encumbrances securing NJEDA or NJEIT Bond transactions permitted pursuant to **Section 5.1(iii)** above and (c) liens and encumbrances securing indebtedness permitted pursuant to **Section 5.1(v)**.

5.3. **Merger or Transfer of Assets.** Liquidate or dissolve, or merge or consolidate with or into any person, firm, corporation or other entity, or sell, lease, transfer or otherwise dispose of all or a substantial part of its property, assets, operations or business, whether now owned or hereafter acquired.

6. **Events of Default.** The occurrence of any of the following will be deemed to be an “Event of Default”:

6.1. **Covenant Default.** The Borrower shall default in the performance of any of the covenants or agreements contained in this Agreement.

6.2. **Breach of Warranty.** Any Financial Statement, representation, warranty or certificate made or furnished by the Borrower to the Bank in connection with this Agreement shall be false, incorrect or incomplete when made.

6.3. **Other Default.** The occurrence of an Event of Default as defined in the Note or any of the Loan Documents.

Upon the occurrence of an Event of Default, the Bank will have all rights and remedies specified in the Note and the Loan Documents and all rights and remedies (which are cumulative and not exclusive) available under applicable law or in equity.

7. **Conditions.** The Bank’s obligation to make any advance under any Loan is subject to the conditions that as of the date of the advance:

7.1. **No Event of Default.** No Event of Default or Default shall have occurred and be continuing.

7.2. **Authorization Documents.** The Bank shall have received certified copies of resolutions of the board of directors, the general partners or the members or managers of any partnership, corporation or limited liability company that executes this Agreement, the Note or any of the other Loan Documents; or other proof of authorization satisfactory to the Bank.

7.3. **Receipt of Loan Documents.** The Bank shall have received the Loan Documents and such other instruments and documents which the Bank may reasonably request in connection with the transactions provided for in this Agreement, which may include an opinion of counsel in form and substance satisfactory to the Bank for any party executing any of the Loan Documents.

8. **Expenses.** The Borrower agrees to reimburse the Bank, upon the execution of this Agreement, and otherwise on demand, all costs and expenses incurred by the Bank in connection with the preparation, negotiation and delivery of this Agreement and the other Loan Documents, and any modifications or amendments thereto or renewals thereof, and the collection of all of the Obligations, including but not limited to enforcement actions,

relating to the Loan, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to this Agreement, including (i) reasonable fees and expenses of counsel (which may include costs of in-house counsel); (ii) all costs related to conducting UCC, title and other public record searches; (iii) fees for filing and recording documents in the public records to perfect the Bank's liens and security interests; (iv) expenses for auditors, appraisers and environmental consultants; and (v) taxes.

**9. Increased Costs.** On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Loan. "**Change in Law**" means the occurrence, after the date hereof, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty; (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

**10. Miscellaneous.**

**10.1. Notices.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

**10.2. Preservation of Rights.** No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity.

**10.3. Illegality.** If any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Agreement.

**10.4. Changes in Writing.** No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Agreement will be effective unless made in a writing signed by the party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Agreement or any of the other Loan Documents for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Borrower (which notice may be given by electronic mail). No notice to or demand on the Borrower will entitle the Borrower to any other or further notice or demand in the same, similar or other circumstance.

**10.5. Entire Agreement.** This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

**10.6. Counterparts.** This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

**10.7. Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Borrower and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Borrower may not assign this Agreement in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Agreement in whole or in part.

**10.8. Interpretation.** In this Agreement, unless the Bank and the Borrower otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Unless otherwise specified in this Agreement, all accounting terms shall be interpreted and all accounting determinations shall be made in accordance with GAAP. If this Agreement is executed by more than one party as Borrower, the obligations of such persons or entities will be joint and several.

**10.9. No Consequential Damages, Etc.** The Bank will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any person or entity, including the Borrower and any Guarantor, as a result of this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the use of the proceeds of the Loan.

**10.10. Assignments and Participations.** At any time, without any notice to the Borrower, the Bank may sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of all or any part of the Bank's interest in the Loan. The Borrower hereby authorizes the Bank to provide, without any notice to the Borrower, any information concerning the Borrower, including information pertaining to the Borrower's financial condition, business operations or general creditworthiness, to any person or entity which may succeed to or participate in all or any part of the Bank's interest in the Loan.

**10.11. USA PATRIOT Act Notice.** **The Bank hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, the Bank is required to obtain, verify and record information that identifies the Borrower and any Obligor (as defined in the Note), which information includes the name and address of the Borrower and any Obligor and other information that will allow the Bank to identify the Borrower and any Obligor in accordance with the USA PATRIOT Act.**

**10.12. Important Information about Phone Calls.** By providing telephone number(s) to the Bank, now or at any later time, the Borrower hereby authorizes the Bank and its affiliates and designees to contact the Borrower regarding the Borrower's account(s) with the Bank or its affiliates, whether such accounts are Borrower's individual accounts or business accounts for which Borrower is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless

phone number, or by leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Borrower hereby consents that any phone call with the Bank may be monitored or recorded by the Bank.

**10.13. Confidentiality.** In connection with the Obligations, this Agreement and the other Loan Documents, the Bank and the Borrower will be providing to each other, whether orally, in writing or in electronic format, nonpublic, confidential or proprietary information (collectively, "**Confidential Information**"). Each of the Borrower and the Bank agrees (i) to hold the Confidential Information of the other in strict confidence; (ii) not to disclose or permit any other person or entity access to the Confidential Information of the other party, except for disclosure or access to a party's affiliates and its or their employees, officers, directors, agents, representatives, or other third parties that provide or may provide ancillary support relating to the Obligations, this Agreement and/or the other Loan Documents and require disclosure or access in the course of employment or services, or to its external or internal auditors or regulatory authorities, and (iii) not to use such Confidential Information except in connection with the Obligations and for the purposes of this Agreement and the other Loan Documents. It is understood and agreed that the obligation to protect such Confidential Information shall be satisfied if the party receiving such Confidential Information utilizes the same control (but no less than reasonable) as it does to avoid disclosure of its own confidential and valuable information. It is also understood and agreed that no information shall be within the protection of this Agreement where such information: (a) is or becomes publicly available through no fault of the party to whom such Confidential Information has been disclosed; (b) is released by the originating party to anyone without restriction; (c) is rightly obtained from third parties who are not, to such receiving party's knowledge, under an obligation of confidentiality; or (d) is required to be disclosed by subpoena or similar process of applicable law or regulations.

For the purposes of this Agreement, Confidential Information of a party shall include, without limitation, any financial information, scientific or technical information, design, process, procedure or improvement and all concepts, documentation, reports, data, data formats, specifications, computer software, source code, object code, user manuals, financial models, screen displays and formats, software, databases, inventions, knowhow, showhow and trade secrets, whether or not patentable or copyrightable, whether owned by a party or any third party, together with all memoranda, analyses, compilations, studies, notes, records, drawings, manuals or other documents or materials which contain or otherwise reflect any of the foregoing information.

Each of the Borrower and the Bank agrees to return to the other or destroy all Confidential Information of the other upon the termination of this Agreement; provided, however, each party may retain such limited information for customary archival and audit purposes only for reference with respect to prior dealings between the parties subject at all times to the continuing terms of this **Section 10.13**.

Each of the Borrower and the Bank agrees not to use the other's name or logo in any marketing, advertising or related materials, without the prior written consent of the other party.

**10.14. Sharing Information with Affiliates of the Bank.** The Borrower acknowledges that from time to time other financial and banking services may be offered or provided to the Borrower or one or more of its subsidiaries and/or affiliates (in connection with this Agreement or otherwise) by the Bank or by one or more subsidiaries or affiliates of the Bank or of The PNC Financial Services Group, Inc., and the Borrower hereby authorizes the Bank to share any information delivered to the Bank by the Borrower and/or its subsidiaries and/or affiliates pursuant to this Agreement or any of the Loan Documents to any subsidiary or affiliate of the Bank and/or The PNC Financial Services Group, Inc., subject to any provisions of confidentiality in this Agreement or any other Loan Documents.

**10.15. Governing Law and Jurisdiction.** This Agreement has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Borrower hereby irrevocably consents to the exclusive

jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Agreement will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Bank and the Borrower agree that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

**10.16. WAIVER OF JURY TRIAL. EACH OF THE BORROWER AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

**The Borrower acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.**

WITNESS the due execution hereof as a document under seal, as of the date first written above.

WITNESS / ATTEST:

/s/Jay Kooper

Jay L. Kooper  
Secretary

**MIDDLESEX WATER COMPANY**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
President, Treasurer & CFO

(SEAL)

WITNESS / ATTEST:

/s/Jay L. Kooper

Jay L. Kooper  
Secretary

**PINELANDS WASTEWATER COMPANY**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
Vice President

(SEAL)

WITNESS / ATTEST:

/s/Jay L. Kooper

Jay L. Kooper  
Secretary

**PINELANDS WATER COMPANY**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
Vice President

(SEAL)

[Signatures continue on next page]



WITNESS / ATTEST:

/s/Jay L. Kooper

Jay L. Kooper  
Secretary

**TIDEWATER UTILITIES, INC.**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
Treasurer

(SEAL)

WITNESS / ATTEST:

/s/Jay L. Kooper

Jay L. Kooper  
Secretary

**UTILITY SERVICE AFFILIATES  
(PERTH AMBOY) INC.**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
Treasurer

(SEAL)

WITNESS / ATTEST:

/s/Jay L. Kooper

Jay L. Kooper  
Secretary

**UTILITY SERVICE AFFILIATES INC.**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
Treasurer

(SEAL)

WITNESS / ATTEST:

/s/Jay L. Kooper

Jay L. Kooper  
Secretary

**TIDEWATER ENVIRONMENTAL  
SERVICES, INC.**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
Treasurer

(SEAL)

WITNESS / ATTEST:

/s/Jay L. Kooper

Jay L. Kooper  
Secretary

**WHITE MARSH ENVIRONMENTAL  
SYSTEMS, INC.**

By: /s/A. Bruce O'Connor

A. Bruce O'Connor  
Treasurer

(SEAL)

[Signatures continue on next page]

**PNC BANK, NATIONAL ASSOCIATION**

By: /s/Virginia Alling (SEAL)

Print Name: Virginia Alling

Title: Senior Vice President

ADDENDUM

ADDENDUM to that certain Amended and Restated Loan Agreement dated April 29, 2015 between MIDDLESEX WATER COMPANY, PINELANDS WASTEWATER COMPANY, PINELANDS WATER COMPANY, TIDEWATER ENVIRONMENTAL SERVICES, INC., TIDEWATER UTILITIES, INC., UTILITY SERVICE AFFILIATES (PERTH AMBOY) INC., UTILITY SERVICE AFFILIATES INC., and WHITE MARSH ENVIRONMENTAL SYSTEMS, INC. as the

Borrower and PNC Bank, National Association, as the Bank. Capitalized terms used in this Addendum and not otherwise defined shall have the meanings given them in the Agreement. Section numbers below refer to the sections of the Agreement.

3.6 **Title to Assets.** Describe additional liens and encumbrances below:

N/A

3.7 **Litigation.** Describe pending and threatened litigation, investigations, proceedings, etc. below:

N/A

3.10 **Environmental Matters.** Describe pending or threatened litigation or proceeding arising under, relating to or in connection with any Environmental Law below:

N/A

CONTINUATION OF ADDENDUM

4.2 **Financial Reporting Requirements.**

1. **Borrower's Financial Reporting.**

(a) **Annual Financial Statements.** Within ninety (90) days after the end of each fiscal year, the Borrower's annual Financial Statements. The Financial Statements will be prepared on an audited basis in accordance with GAAP by an independent certified public accountant selected by the Borrower and satisfactory to the Bank. Audited Financial Statements shall contain the unqualified opinion of an independent certified public accountant and all accountant examinations shall have been made in accordance with GAAP consistently applied from period to period.

(b) **FORM 10Q.** Borrower's FORM 10Q immediately upon filing.

4.8 **Financial Covenants.**

N/A

**FIRST AMENDMENT TO  
PROMISSORY NOTE AND SUPPLEMENT**  
(Multiple Advance Term Loan)

**THIS FIRST AMENDMENT TO PROMISSORY NOTE AND SUPPLEMENT** (this "Amendment"), is entered into as of April 17, 2015, between **TIDEWATER UTILITIES, INC.**, a Delaware corporation (the "Company"), and **CoBANK, ACB**, a federally chartered instrumentality of the United States ("CoBank").

**BACKGROUND**

The Company and CoBank are parties to a Promissory Note and Supplement (Multiple Advance Term Loan Supplement) dated as of October 15, 2014, and number RX0024T9 (the "Supplement"). The parties now desire to amend the Supplement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**SECTION 1. Defined Terms.** Capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Supplement or in the "MLA" (as defined in the Supplement).

**SECTION 2. Amendments.**

(A) **Term.** Section 3(A) of the Supplement is hereby amended and restated to read as follows:

(A) **Term.** The term of the Commitment shall be from the date hereof, up to and including October 30, 2015.

(B) **Promissory Note.** Section 6 of the Supplement is hereby amended and restated to read as follows:

**SECTION 6. Promissory Note.** The Company promises to pay to the order of CoBank: (A) the principal amount of all Loans made by CoBank to the Company on or before April 30, 2015, in 300 equal consecutive monthly installments, each due on the 20<sup>th</sup> day of the month, with the first installment due on May 20, 2015, and the last installment due on April 20, 2040; provided, however, that the final installment shall be in an amount equal to the then unpaid principal balance of such Loans; and (B) the principal amount of all Loans made by CoBank to the Company after April 30, 2015, in 294 equal consecutive monthly installments, each due on the 20<sup>th</sup> day of the month, with the first installment due on November 20, 2015, and the last installment due on April 20, 2040; provided, however, that the final installment shall be in an amount equal to the then unpaid principal balance of such Loans. In addition to the above, the Company promises to pay to CoBank or order interest on the unpaid principal balance of the Loans at the times and in accordance with the provisions set forth above. If any date on which principal or interest is due is not a Business Day, then such payment shall be due and payable on the next Business Day and, in the case of principal, interest shall continue to accrue on the amount thereof.

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**SECTION 4. Representations and Warranties.** To induce CoBank to enter into this Amendment, the Company represents and warrants that: (A) except for such as have been obtained, are in full force and effect, and are not subject to appeal, no consent, permission, authorization, order or license of any governmental authority or of any party to any agreement to which the Company is a party or by which it or any of its property may be bound or affected, is necessary in connection with the execution, delivery, performance or enforcement of this Amendment; (B) the Company is in compliance with all of the terms of the Loan Documents, and no Default or Event of Default exists; and (C) this Amendment has been duly authorized, executed and delivered by the Company, and creates legal, valid, and binding obligations of the Company which are enforceable in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally. Without limiting (B) above, the Company represents and warrants that it is in compliance with all notice provisions of the Loan Documents, including, without limitation, the requirement to notify CoBank of the commencement of material litigation and of certain environmental matters.

**SECTION 5. Confirmation.** Except as amended hereby, the Supplement shall remain in full force and effect as written.

**SECTION 6. Counterparts and Electronic Delivery.** This Amendment may be executed in counterparts (and by different parties in different counterparts), each of which shall constitute an original, and all of which when taken together shall constitute a single agreement. In addition, this Amendment may be delivered by electronic means.

(Signature page(s) follow)

**IN WITNESS WHEREOF**, the parties have caused this Amendment to be executed by their duly authorized officers as of the date shown above.

**CoBANK, ACB**

By: /s/ Shannon Davoren

Title: Assistant Corporate Secretary

**TIDEWATER UTILITIES, INC.**

By: /s/A. Bruce O'Connor

Title: Treasurer

(Signature page to the First Amendment to  
Promissory Note and Supplement (Multiple Advance Term Loan))

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CONFIRMATION

April 17, 2014

Mr. Bryan Ervin  
Vice President  
CoBank, ACB  
5500 South Quebec Street  
Greenwood Village, Colorado 80111

Re: Comfort Letter and Agreement Regarding CoBank, ACB ("CoBank") Credit Facilities to Tidewater Utilities, Inc. ("Tidewater")

Dear Mr. Ervin:

Reference is hereby made to: (1) the letter dated as of October 15, 2014, from Middlesex Water Company ("Middlesex") to CoBank (the "Comfort Letter"); and (2) the First Amendment to Promissory Note and Supplement dated as of April 17, 2015, between Tidewater Utilities, Inc. (the "Company") and CoBank (the "Amendment").

To induce CoBank to enter into the Amendment with the Company, Middlesex hereby acknowledges that it is aware of the Amendment and confirms that the Comfort Letter will continue to apply to the "Supplement" (as defined in the Amendment) as amended by the Amendment.

**MIDDLESEX WATER COMPANY**

By: /s/A. Bruce O'Connor

Its: Vice President, Treasurer & CFO

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SECTION 302 CERTIFICATION PURSUANT TO RULES 13a-14  
AND 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934

I, Dennis W. Doll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Middlesex Water Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Dennis W. Doll  
Dennis W. Doll  
Chief Executive Officer

Date: May 1, 2015

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**SECTION 302 CERTIFICATION PURSUANT TO RULES 13a-14  
AND 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934**

I, A. Bruce O'Connor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Middlesex Water Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ A. Bruce O'Connor  
A. Bruce O'Connor  
Chief Financial Officer

Date: May 1, 2015

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**SECTION 906 CERTIFICATION PURSUANT TO 18 U.S.C. §1350**

I, Dennis W. Doll, hereby certify that, to the best of my knowledge, the periodic report being filed herewith containing financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) and that information contained in said periodic report fairly presents, in all material respects, the financial condition and results of operations of Middlesex Water Company for the period covered by said periodic report.

/s/ Dennis W. Doll  
Dennis W. Doll  
Chief Executive Officer

Date: May 1, 2015

A signed original of this written statement required by Section 906 has been provided to Middlesex Water Company and will be retained by Middlesex Water Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**SECTION 906 CERTIFICATION PURSUANT TO 18 U.S.C. §1350**

I, A. Bruce O'Connor, hereby certify that, to the best of my knowledge, the periodic report being filed herewith containing financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) and that information contained in said periodic report fairly presents, in all material respects, the financial condition and results of operations of Middlesex Water Company for the period covered by said periodic report.

/s/ A. Bruce O'Connor  
A. Bruce O'Connor  
Chief Financial Officer

Date: May 1, 2015

A signed original of this written statement required by Section 906 has been provided to Middlesex Water Company and will be retained by Middlesex Water Company and furnished to the Securities and Exchange Commission or its staff upon request.

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