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 September 30, 2011

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	**22-1114430**
(State of incorporation)	(IRS employer identification no.)

1500 Ronson Road, Iselin, NJ 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 October 31, 2011: Common Stock, No Par Value: 15,634,889 shares outstanding.

INDEX

PART I.	**FINANCIAL INFORMATION**	**PAGE**
Item 1.	Financial Statements (Unaudited):	
	Condensed Consolidated Statements of Income	1
	Condensed Consolidated Balance Sheets	2
	Condensed Consolidated Statements of Cash Flows	3
	Condensed Consolidated Statements of Capital Stock and Long-term Debt	4
	Notes to Unaudited Condensed Consolidated Financial Statements	5
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	13
Item 3.	Quantitative and Qualitative Disclosures of Market Risk	22
Item 4.	Controls and Procedures	22
PART II.	**OTHER INFORMATION**	
Item 1.	Legal Proceedings	23
Item 1A.	Risk Factors	23
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	23
Item 3.	Defaults upon Senior Securities	23
Item 4.	Removed and Reserved	23
Item 5.	Other Information	23
Item 6.	Exhibits	24
SIGNATURES		25

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

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Operating Revenues	$ 28,671	$ 29,585	$ 78,769	$ 77,768
Operating Expenses:				
Operations and Maintenance	14,667	14,036	42,760	41,205
Depreciation	2,421	2,387	7,250	6,827
Other Taxes	3,067	3,141	8,737	8,532
Total Operating Expenses	20,155	19,564	58,747	56,564
Operating Income	8,516	10,021	20,022	21,204
Other Income (Expense):				
Allowance for Funds Used During Construction	235	143	626	785
Other Income	759	172	1,118	532
Other Expense	(20)	(129)	(180)	(181)
Total Other Income, net	974	186	1,564	1,136
Interest Charges	1,703	1,819	4,631	5,125
Income before Income Taxes	7,787	8,388	16,955	17,215
Income Taxes	2,644	2,652	5,557	5,495
Net Income	5,143	5,736	11,398	11,720
Preferred Stock Dividend Requirements	52	52	155	156
Earnings Applicable to Common Stock	$ 5,091	$ 5,684	$ 11,243	$ 11,564
Earnings per share of Common Stock:				
Basic	$ 0.33	$ 0.37	$ 0.72	$ 0.81
Diluted	$ 0.32	$ 0.36	$ 0.72	$ 0.80
Average Number of Common Shares Outstanding :				
Basic	15,622	15,518	15,599	14,350
Diluted	15,885	15,781	15,862	14,613
Cash Dividends Paid per Common Share	$ 0.1825	$ 0.1800	$ 0.5475	$ 0.5400

See Notes to Unaudited Condensed Consolidated Financial Statements.

Index

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

ASSETS		September 30, 2011	December 31, 2010
UTILITY PLANT:	Water Production	**$ 125,242**	$ 118,919
	Transmission and Distribution	**320,457**	308,468
	General	**45,114**	44,368
	Construction Work in Progress	**16,843**	11,715
	TOTAL	**507,656**	483,470
	Less Accumulated Depreciation	**90,427**	84,737
	UTILITY PLANT - NET	**417,229**	398,733
CURRENT ASSETS:	Cash and Cash Equivalents	**4,134**	2,453
	Accounts Receivable, net	**13,068**	11,963
	Unbilled Revenues	**6,319**	4,752
	Materials and Supplies (at average cost)	**2,009**	2,196
	Prepayments	**2,123**	1,401
	TOTAL CURRENT ASSETS	**27,653**	22,765
DEFERRED CHARGES AND OTHER ASSETS:	Unamortized Debt Expense	**2,650**	2,739
	Preliminary Survey and Investigation Charges	**5,453**	7,023
	Regulatory Assets	**37,421**	38,771
	Operations and Developer Contracts Fees Receivable	**4,062**	4,589
	Restricted Cash	**4,552**	7,056
	Non-utility Assets - Net	**7,511**	7,122
	Other	**622**	387
	TOTAL DEFERRED CHARGES AND OTHER ASSETS	**62,271**	67,687
	TOTAL ASSETS	**$ 507,153**	$ 489,185
CAPITALIZATION AND LIABILITIES			
CAPITALIZATION:	Common Stock, No Par Value	**$ 141,018**	$ 139,534
	Retained Earnings	**36,450**	33,745
	TOTAL COMMON EQUITY	**177,468**	173,279
	Preferred Stock	**3,353**	3,362
	Long-term Debt	**132,641**	133,844
	TOTAL CAPITALIZATION	**313,462**	310,485
CURRENT LIABILITIES:	Current Portion of Long-term Debt	**4,564**	4,432
	Notes Payable	**24,250**	17,000
	Accounts Payable	**5,789**	6,403
	Accrued Taxes	**10,671**	8,752
	Accrued Interest	**895**	1,598
	Unearned Revenues and Advanced Service Fees	**751**	864
	Other	**1,412**	1,691
	TOTAL CURRENT LIABILITIES	**48,332**	40,740
COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)			
DEFERRED CREDITS AND OTHER LIABILITIES:	Customer Advances for Construction	**21,630**	21,261
	Accumulated Deferred Investment Tax Credits	**1,166**	1,225
	Accumulated Deferred Income Taxes	**31,112**	29,691
	Employee Benefit Plans	**26,096**	28,562
	Regulatory Liability - Cost of Utility Plant Removal	**7,869**	7,369
	Other	**617**	154
	TOTAL DEFERRED CREDITS AND OTHER LIABILITIES	**88,490**	88,262
CONTRIBUTIONS IN AID OF CONSTRUCTION		**56,869**	49,698
	TOTAL CAPITALIZATION AND LIABILITIES	**$ 507,153**	$ 489,185

See Notes to Unaudited Condensed Consolidated Financial Statements.

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

	Nine Months Ended September 30, 2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	**$ 11,398**	$ 11,720
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**7,767**	7,387
Provision for Deferred Income Taxes and Investment Tax Credits	**1,297**	114
Equity Portion of Allowance for Funds Used During Construction (AFUDC)	**(405)**	(488)
Cash Surrender Value of Life Insurance	**(42)**	159
Stock Compensation Expense	**315**	277
Changes in Assets and Liabilities:		
Accounts Receivable	**(578)**	(3,503)
Unbilled Revenues	**(1,567)**	(2,549)
Materials & Supplies	**187**	(306)
Prepayments	**(722)**	(488)
Accounts Payable	**(614)**	1,168
Accrued Taxes	**1,919**	3,938
Accrued Interest	**(703)**	(1,034)
Employee Benefit Plans	**(1,226)**	(180)
Unearned Revenue & Advanced Service Fees	**(113)**	59
Other Assets and Liabilities	**158**	(531)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**17,071**	15,743
CASH FLOWS FROM INVESTING ACTIVITIES:		
Utility Plant Expenditures, Including AFUDC of $221 in 2011, $297 in 2010	**(17,647)**	(22,223)
Restricted Cash	**2,504**	505
NET CASH USED IN INVESTING ACTIVITIES	**(15,143)**	(21,718)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemption of Long-term Debt	**(3,818)**	(3,720)
Proceeds from Issuance of Long-term Debt	**2,747**	10,000
Net Short-term Bank Borrowings	**7,250**	(24,050)
Deferred Debt Issuance Expense	**(34)**	(7)
Common Stock Issuance Expense	**-**	(133)
Repurchase of Preferred Stock	**(9)**	(11)
Proceeds from Issuance of Common Stock	**1,168**	29,469
Payment of Common Dividends	**(8,538)**	(7,672)
Payment of Preferred Dividends	**(155)**	(156)
Construction Advances and Contributions-Net	**1,142**	1,067
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	**(247)**	4,787
NET CHANGES IN CASH AND CASH EQUIVALENTS	**1,681**	(1,188)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,453**	4,278
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 4,134**	$ 3,090
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:		
Utility Plant received as Construction Advances and Contributions	**$ 6,400**	$ 924
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash Paid During the Year for:		
Interest	**$ 5,365**	$ 6,167
Interest Capitalized	**$ 221**	$ 297
Income Taxes	**$ 2,614**	$ 2,726

See Notes to Unaudited Condensed Consolidated Financial Statements.

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

		September 30, 2011		December 31, 2010
Common Stock, No Par Value				
Shares Authorized - 40,000				
Shares Outstanding - 2011 - 15,633	$	**141,018**	$	139,534
2010 - 15,566				
Retained Earnings		**36,450**		33,745
TOTAL COMMON EQUITY	$	**177,468**	$	173,279
Cumulative Preferred Stock, No Par Value:				
Shares Authorized - 134				
Shares Outstanding - 32				
Convertible:				
Shares Outstanding, $7.00 Series - 14		**1,457**		1,457
Shares Outstanding, $8.00 Series - 7		**816**		816
Nonredeemable:				
Shares Outstanding, $7.00 Series - 1		**80**		89
Shares Outstanding, $4.75 Series - 10		**1,000**		1,000
TOTAL PREFERRED STOCK	$	**3,353**	$	3,362
Long-term Debt:				
8.05%, Amortizing Secured Note, due December 20, 2021	$	**2,354**	$	2,456
6.25%, Amortizing Secured Note, due May 19, 2028		**7,000**		7,315
6.44%, Amortizing Secured Note, due August 25, 2030		**5,297**		5,507
6.46%, Amortizing Secured Note, due September 19, 2031		**5,577**		5,787
4.22%, State Revolving Trust Note, due December 31, 2022		**566**		585
3.30% to 3.60%, State Revolving Trust Note, due May 1, 2025		**3,623**		3,655
3.49%, State Revolving Trust Note, due January 25, 2027		**633**		664
4.03%, State Revolving Trust Note, due December 1, 2026		**846**		865
4.00% to 5.00%, State Revolving Trust Bond, due August 1, 2021		**484**		522
0.00%, State Revolving Fund Bond, due August 1, 2021		**359**		397
3.64%, State Revolving Trust Note, due July 1, 2028		**372**		387
3.64%, State Revolving Trust Note, due January 1, 2028		**124**		130
6.59%, Amortizing Secured Note, due April 20, 2029		**6,133**		6,395
7.05%, Amortizing Secured Note, due January 20, 2030		**4,583**		4,771
5.69%, Amortizing Secured Note, due January 20, 2030		**9,402**		9,786
3.45%, State Revolving Trust Note, due August 1, 2031		**33**		17
3.75%, State Revolving Trust Note, due July 1, 2031		**1,327**		-
3.75%, State Revolving Trust Note, due November 30, 2030		**1,404**		-
First Mortgage Bonds:				
5.20%, Series S, due October 1, 2022		**12,000**		12,000
5.25%, Series T, due October 1, 2023		**6,500**		6,500
5.25%, Series V, due February 1, 2029		**10,000**		10,000
5.35%, Series W, due February 1, 2038		**23,000**		23,000
0.00%, Series X, due September 1, 2018		**375**		430
4.25% to 4.63%, Series Y, due September 1, 2018		**525**		590
0.00%, Series Z, due September 1, 2019		**894**		1,007
5.25% to 5.75%, Series AA, due September 1, 2019		**1,315**		1,440
0.00%, Series BB, due September 1, 2021		**1,206**		1,328
4.00% to 5.00%, Series CC, due September 1, 2021		**1,560**		1,680
5.10%, Series DD, due January 1, 2032		**6,000**		6,000
0.00%, Series EE, due August 1, 2023		**4,804**		5,224
3.00% to 5.50%, Series FF, due August 1, 2024		**6,160**		6,555
0.00%, Series GG, due August 1, 2026		**1,352**		1,440
4.00% to 5.00%, Series HH, due August 1, 2026		**1,640**		1,715
0.00%, Series II, due August 1, 2024		**1,150**		1,239
3.40% to 5.00%, Series JJ, due August 1, 2027		**1,560**		1,625
0.00%, Series KK, due August 1, 2028		**1,526**		1,616
5.00% to 5.50%, Series LL, due August 1, 2028		**1,635**		1,695
0.00%, Series MM, due August 1, 2030		**1,901**		1,968
3.00% to 4.375%, Series NN, due August 1, 2030		**1,985**		1,985
SUBTOTAL LONG-TERM DEBT		**137,205**		138,276
Less: Current Portion of Long-term Debt		**(4,564)**		(4,432)
TOTAL LONG-TERM DEBT	$	**132,641**	$	133,844

See Notes to Unaudited Condensed Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation and Recent Matters

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 2010 Annual Report on Form 10-K (the 2010 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 September 30, 2011, the results of operations for the three and nine month periods ended September 30, 2011 and 2010 and cash flows for the nine month periods ended September 30, 2011 and 2010. Information included in the Condensed Consolidated Balance Sheet as of December 31, 2010, has been derived from the Company's audited financial statements for the year ended December 31, 2010 included in the 2010 Form 10-K.

Certain reclassifications have been made to the prior year financial statements to conform with the current period presentation.

TESI Purchases Wastewater Systems
During the second quarter of 2011, TESI acquired two Sussex County, Delaware wastewater systems for approximately $0.1 million. These wastewater systems currently serve about 100 customers in total and ultimately expect to serve 360 at build-out. The wastewater plants are among several other nearby TESI-owned facilities providing regulated wastewater services to residential developments within the region. Tidewater provides water service to several communities in the area, including one of the developments where these wastewater systems are located.

USA Enters into Long-Term Marketing Agreement
In August 2011, USA entered into a 10-year marketing agreement (the Agreement) with HomeServe USA (HomeServe), a leading provider of home maintenance service programs to service, develop and grow USA's LineCare customer base. As part of the Agreement, USA recognized a gain of $0.6 million on the transfer of its existing contracts to HomeServe. Over the next 10 years, USA will receive a service fee for the billing, cash collection and other administrative matters associated with HomeServe's service contracts.

Recent Accounting Guidance
In the third quarter of 2011, there was no new adopted or proposed accounting guidance that did or could have a material impact on the Company's financial statements.

Note 2 – Rate Matters

On August 28, 2011, Middlesex implemented a New Jersey Board of Public Utilities (NJBPU) approved Purchased Water Adjustment Clause (PWAC). In January 2011, Middlesex had filed a PWAC application with the NJBPU seeking to recover increased costs of $0.4 million to purchase untreated water from the New Jersey Water Supply Authority and treated water from a non-affiliated regulated water utility.

A Distribution System Improvement Charge (DSIC) is a Delaware Public Service Commission (DEPSC) approved rate-mechanism that allows water utilities to recover investment in non-revenue producing capital improvements to the water system between base rate proceedings. Effective July 1, 2011, Tidewater's DEPSC approved DSIC was increased from 1.34% to 1.98%.

Effective June 1, 2011, the DEPSC approved a multi-year agreement for a phased-in base rate increase for Southern Shores. This increase was necessitated by capital investment in the upgrade and renovation of Southern Shores' primary water treatment facilities, as well as by increased operating costs. Under the terms of the agreement, which expires on June 30, 2020, Southern Shores will also increase rates on January 1, 2012, and each successive January 1st through 2015, to generate approximately $0.1 million of additional revenue on an annual basis with each increase. Thereafter, rate increases, if any, cannot exceed the lesser of the regional Consumer Price Index or 3%.

The Pennsylvania Public Utility Commission (PAPUC) held public hearings in October 2011 in connection with the Twin Lakes application seeking permission to increase its base rates by approximately $0.2 million per year. We cannot predict whether the PAPUC will ultimately approve, deny, or reduce the amount of the request. A decision by the PAPUC is not expected until early 2012.

In July 2011, TESI filed an application with the DEPSC seeking permission to increase its base rates by approximately $0.8 million per year. The request was made necessary by capital investments TESI has made or has committed to make as well as increased operations and maintenance costs. We cannot predict whether the DEPSC will ultimately approve, deny, or reduce the amount of the request. A decision by the DEPSC is not expected until mid 2012. On September 28, 2011, TESI implemented a 7.6% interim rate increase subject to refund as allowed under DEPSC regulations.

In September 2011, Tidewater filed an application with the DEPSC seeking permission to increase its base rates by approximately $6.9 million per year. The request was made necessary by capital investments Tidewater has made or has committed to make as well as increased operations and maintenance costs. We cannot predict whether the DEPSC will ultimately approve, deny, or reduce the amount of the request. A decision by the DEPSC is not expected until mid 2012. Tidewater received DEPSC approval to implement a 10.49% interim rate increase, subject to refund, on November 15, 2011.

Note 3 – Capitalization

Common Stock
During the nine months ended September 30, 2011, there were 63,816 common shares (approximately $1.2 million) issued under the Company's Amended and Restated Dividend Reinvestment and Common Stock Purchase Plan (DRP).

The Company maintains a stock plan for its non-management directors (Outside Director Stock Compensation Plan). In May 2011, the Company granted and issued 3,833 shares of common stock (approximately $0.1 million) to the non-management directors under the Outside Director Stock Compensation Plan.

Preferred Stock
In February 2011, the Company repurchased 93 shares of its $7.00 Series, nonredeemable cumulative preferred stock at par value for approximately $9 thousand.

Long-term Debt
In March 2011, Tidewater closed on a $2.8 million loan with the Delaware State Revolving Fund (SRF) program which allows, but does not obligate, Tidewater to draw against a General Obligation Note for a specific project. The interest rate on any draw will be set at 3.75% with a final maturity of July 1, 2031 on the amount actually borrowed. As of September 30, 2011, Tidewater has borrowed $1.3 million under this loan.

In March 2011, Southern Shores closed on a $1.6 million loan with the Delaware SRF program, which allows, but does not obligate, Southern Shores to draw against a General Obligation Note for a specific project. The interest rate on any draw will be set at 3.75% with a final maturity of November 30, 2030 on the amount actually borrowed. As of September 30, 2011, Southern Shores has borrowed $1.4 million under this loan.

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 is based on quoted market prices for similar issues. The carrying amount and fair market value of the Company's bonds were as follows:

	(Thousands of Dollars)			
	September 30, 2011		December 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
First Mortgage Bonds	$ 87,088	$ 87,579	$ 89,037	$ 85,405
SRF Bonds	$ 843	$ 850	$ 919	$ 937

For other long-term debt for which there was no quoted market price, it was not practicable to estimate their fair value. The carrying amount of these instruments was $49.3 million at September 30, 2011 and $48.3 million at December 31, 2010. Customer advances for construction have a carrying amount of $21.6 million at September 30, 2011 and $21.3 million at December 31, 2010. 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 September 30,			
	2011		2010	
Basic:	Income	Shares	Income	Shares
Net Income	$ 5,143	15,622	$ 5,736	15,518
Preferred Dividend	(52)		(52)	
Earnings Applicable to Common Stock	$ 5,091	15,622	$ 5,684	15,518
Basic EPS	$ 0.33		$ 0.37	
Diluted:				
Earnings Applicable to Common Stock	$ 5,091	15,622	$ 5,684	15,518
$7.00 Series Preferred Dividend	24	167	24	167
$8.00 Series Preferred Dividend	14	96	14	96
Adjusted Earnings Applicable to Common Stock	$ 5,129	15,885	$ 5,722	15,781
Diluted EPS	$ 0.32		$ 0.36	

	(In Thousands Except per Share Amounts) Nine Months Ended September 30,			
	2011		2010	
Basic:	Income	Shares	Income	Shares
Net Income	$ 11,398	15,599	$ 11,720	14,350
Preferred Dividend	(155)		(156)	
Earnings Applicable to Common Stock	$ 11,243	15,599	$ 11,564	14,350
Basic EPS	$ 0.72		$ 0.81	
Diluted:				
Earnings Applicable to Common Stock	$ 11,243	15,599	$ 11,564	14,350
$7.00 Series Preferred Dividend	73	167	73	167
$8.00 Series Preferred Dividend	42	96	42	96
Adjusted Earnings Applicable to Common Stock	$ 11,358	15,862	$ 11,679	14,613
Diluted EPS	$ 0.72		$ 0.80	

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 September 30,		Nine Months Ended September 30,	
Operations by Segments:	2011	2010	2011	2010
Revenues:				
Regulated	$ 26,262	$ 27,062	$ 70,935	$ 70,083
Non – Regulated	2,605	2,826	8,220	8,183
Inter-segment Elimination	(196)	(303)	(386)	(498)
Consolidated Revenues	$ 28,671	$ 29,585	$ 78,769	$ 77,768
Operating Income:				
Regulated	$ 8,241	$ 9,560	$ 18,893	$ 19,781
Non – Regulated	275	461	1,129	1,423
Consolidated Operating Income	$ 8,516	$ 10,021	$ 20,022	$ 21,204
Net Income:				
Regulated	$ 4,630	$ 5,433	$ 10,375	$ 10,799
Non – Regulated	513	303	1,023	921
Consolidated Net Income	$ 5,143	$ 5,736	$ 11,398	$ 11,720
Capital Expenditures:				
Regulated	$ 6,389	$ 6,211	$ 17,245	$ 22,121
Non – Regulated	219	31	402	102
Total Capital Expenditures	$ 6,608	$ 6,242	$ 17,647	$ 22,223

Assets:	As of September 30, 2011	As of December 31, 2010
Regulated	$ 504,158	$ 486,918
Non – Regulated	8,775	8,116
Inter-segment Elimination	(5,780)	(5,849)
Consolidated Assets	$ 507,153	$ 489,185

Note 6 – Short-term Borrowings

As of September 30, 2011, the Company has established lines of credit aggregating $60.0 million. At September 30, 2011, the outstanding borrowings under these credit lines were $24.3 million at a weighted average interest rate of 1.27%.

The weighted average daily amounts of borrowings outstanding under the Company's credit lines and the weighted average interest rates on those amounts were as follows:

	($ In Thousands)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Average Daily Amounts Outstanding	$ 21,995	$ 14,902	$ 19,629	$ 29,297
Weighted Average Interest Rates	1.32%	1.53%	1.50%	1.59%

The maturity dates for the $24.3 million outstanding as of September 30, 2011 are all in October 2011 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

Contract Operations - USA-PA operates the City of Perth Amboy, NJ's 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.

Water Supply
Middlesex has an agreement with the 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.

Purchased water costs are shown below:

	(In Thousands)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Treated	$ 682	$ 737	$ 1,974	$ 2,168
Untreated	672	618	1,794	1,753
Total Costs	$ 1,354	$ 1,355	$ 3,768	$ 3,921

Construction
The Company expects to spend approximately $21.9 million on its construction program in 2011. The actual amount and timing of capital expenditures is dependent on customer growth, residential new home construction and sales and project scheduling. There is no assurance that projected customer growth and residential new home construction and sales will occur.

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 substantially all employees hired prior to March 31, 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 into a self-directed retirement account at the discretion of the Company, based upon a percentage of the participants' compensation. In order to be eligible for contribution, the participating employee must be employed by the Company on December 31st of the year to which the award relates. For the three months ended September 30, 2011 and 2010, the Company made Pension Plan cash contributions of $1.8 million and $0.8 million, respectively. For the nine months ended September 30, 2011 and 2010, the Company made Pension Plan cash contributions of $2.5 million and $1.4 million, respectively. The Company expects to make additional Pension Plan cash contributions of approximately $0.2 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 Benefits
The Company's Other Benefits Plan covers substantially all of its 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 September 30, 2011 and 2010, the Company made Other Benefits Plan cash contributions of $1.5 and $0.5 million, respectively. For the nine months ended September 30, 2011 and 2010, the Company made Other Benefits Plan cash contributions of $2.0 million and $1.4 million, respectively. The Company expects to make additional Other Benefits Plan cash contributions of approximately $0.8 million over the remainder of the current year.

The following table sets forth information relating to the Company’s periodic costs for its employee retirement benefit plans:

	(In Thousands)			
	Pension Benefits		Other Benefits	
	Three Months Ended September 30,			
	2011	2010	2011	2010
Service Cost	$ 394	$ 349	$ 326	$ 256
Interest Cost	566	557	401	334
Expected Return on Assets	(571)	(505)	(256)	(190)
Amortization of Unrecognized Losses	141	127	219	133
Amortization of Unrecognized Prior Service Cost	2	2	-	-
Amortization of Transition Obligation	-	-	33	34
Net Periodic Benefit Cost	$ 532	$ 530	$ 723	$ 567
	Nine Months Ended September 30,			
	2011	2010	2011	2010
Service Cost	$ 1,181	$ 1,047	$ 979	$ 769
Interest Cost	1,696	1,671	1,203	1,001
Expected Return on Assets	(1,712)	(1,515)	(769)	(569)
Amortization of Unrecognized Losses	424	380	658	399
Amortization of Unrecognized Prior Service Cost	7	7	-	-
Amortization of Transition Obligation	-	-	101	101
Net Periodic Benefit Cost	$ 1,596	$ 1,590	$ 2,172	$ 1,701

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, 2010.

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 rates, consumption volumes, service fees, revenues, margins, expenses and operating results;
- 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 financial projections;
- statements as to the ability of the Company to pay dividends;
- statements as to the Company’s plans to renew municipal franchises and consents in the territories it serves;
- expectations as to the amount of cash contributions to fund the Company’s retirement benefit plans, including statements as to anticipated discount rates and rates of return on plan assets;
- 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;
- ability to meet current or additional water quality standards;
- weather variations and other natural phenomena;
- the existence of financially attractive acquisition candidates and the risks involved in pursuing those acquisitions;
- acts of war or terrorism;
- significant changes in the pace of housing development in Delaware;
- the availability and cost of capital resources;
- the ability to translate Preliminary Survey & Investigation (PS&I) charges into viable projects; 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, 2010.

Overview

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 a New Jersey municipal water and wastewater system under contract and provide 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 Services Affiliates, Inc. (USA), Utility Services Affiliates (Perth Amboy), Inc. (USA-PA) and White Marsh Environmental Systems, Inc. (White Marsh) subsidiaries are not regulated utilities as to rates and service.

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 several municipalities in central New Jersey. In partnership with our subsidiary, USA-PA, we operate the water supply system and wastewater system for the City of Perth Amboy, New Jersey. Our Bayview system provides water services in Downe Township, New Jersey. Our other New Jersey subsidiaries, Pinelands Water Company and Pinelands Wastewater Company (collectively, Pinelands), provide water and wastewater services to residents in Southampton Township, New Jersey.

USA offers residential customers in New Jersey and Delaware a water service line and sewer lateral maintenance programs called LineCare^{SM} and LineCare+^{SM}, respectively.

Our Delaware subsidiaries, Tidewater and Southern Shores Water Company, LLC (Southern Shores), provide water services to approximately 34,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Tidewater's subsidiary, White Marsh, services an additional 6,000 customers in Kent and Sussex Counties through various operations and maintenance contracts.

Our Tidewater Environmental Services, Inc. (TESI) subsidiary provides wastewater services to approximately 1,900 residential retail customers. We expect the growth of our regulated wastewater operations in Delaware will eventually become a more significant component of our operations.

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 prior periods.

Recent Developments

On August 28, 2011, Middlesex implemented a New Jersey Board of Public Utilities (NJBPU) approved Purchased Water Adjustment Clause (PWAC). In January 2011, Middlesex had filed a PWAC application with the NJBPU seeking to recover increased costs of $0.4 million to purchase untreated water from the New Jersey Water Supply Authority and treated water from a non-affiliated regulated water utility.

A Distribution System Improvement Charge (DSIC) is a Delaware Public Service Commission (DEPSC) approved rate-mechanism that allows water utilities to recover investment in non-revenue producing capital improvements to the water system between base rate proceedings. Effective July 1, 2011, Tidewater's DEPSC approved DSIC was increased from 1.34% to 1.98%.

During the second quarter of 2011, TESI acquired two Sussex County, Delaware wastewater systems for approximately $0.1 million. These wastewater systems currently serve approximately 100 customers in total and ultimately expect to serve 360 customers at build-out. The wastewater plants are among several other nearby TESI-owned facilities providing regulated wastewater services to residential developments within the region. Tidewater provides water service to several communities in the area, including one of the developments where these wastewater systems are located.

The Pennsylvania Public Utility Commission (PAPUC) held public hearings in October 2011 in connection with the Twin Lakes application seeking permission to increase its base rates by approximately $0.2 million per year. We cannot predict whether the PAPUC will ultimately approve, deny, or reduce the amount of the request. A decision by the PAPUC is not expected until early 2012.

In July 2011, TESI filed an application with the DEPSC seeking permission to increase its base rates by approximately $0.8 million per year. The request was made necessary by capital investments TESI has made, or has committed to make, as well as increased operations and maintenance costs. We cannot predict whether the DEPSC will ultimately approve, deny, or reduce the amount of the request. A decision by the DEPSC is not expected until mid 2012. On September 28, 2011, TESI implemented a 7.6% interim rate increase subject to refund as allowed under DEPSC regulations.

In August 2011, USA entered into a 10-year marketing agreement (the Agreement) with HomeServe USA (HomeServe), a leading provider of home maintenance service programs to service, develop and grow USA's LineCare customer base. As part of the Agreement, USA recognized a gain of $0.6 million on the transfer of its existing contracts to HomeServe. Over the next 10-years, USA will receive a service fee for the billing, cash collection and other administrative matters associated with HomeServe's service contracts.

In September 2011, Tidewater filed an application with the DEPSC seeking permission to increase its base rates by approximately $6.9 million per year. The request was made necessary by capital investments Tidewater has made, or has committed to make, as well as increased operations and maintenance costs. We cannot predict whether the DEPSC will ultimately approve, deny, or reduce the amount of the request. A decision by the DEPSC is not expected until mid 2012. Tidewater received DEPSC approval to implement a 10.49% interim rate increase, subject to refund, on November 15, 2011.

Outlook

Rate relief and favorable weather patterns bolstered our consolidated revenues in 2010. Even though revenues for 2011 are expected to be favorably impacted by the full year effect of the March 2010 Middlesex rate increase, the Tidewater DSIC and the Middlesex PWAC, overall customer water consumption has decreased in 2011 due to less favorable weather as compared to 2010.

Ongoing economic conditions continue to negatively impact our customers’ water consumption, particularly the level of water usage by our commercial and industrial customers in our Middlesex system. In the second half of 2010, we began to see an increase in usage by our commercial and industrial customers. However, we are unable to determine when these customers’ water demands may fully return to previous levels, or if a reduced level of demand will continue indefinitely. We were given appropriate recognition for a portion of this decrease in customer consumption in Middlesex’s March 2010 rate increase.

Revenues and earnings are influenced by weather. Changes in water usage patterns, as well as increases in capital expenditures and operating costs, are the primary factors in determining the need for rate increase requests. We continue to execute plans to streamline operations and reduce operating costs on an on-going basis.

Middlesex has three active base-rate increase applications under review by regulatory commissions in Delaware or Pennsylvania and expects to file its own base-rate increase application during the fourth quarter of 2011. There can be no assurances however, that the regulators of Middlesex or its subsidiaries will approve any such requests in whole or in part. In addition, the timing of approval of these rate requests is presently not known.

As a result of ongoing challenging economic conditions impacting the pace of new residential home construction, there may be PS&I costs that will not be currently recoverable in rates. If it is determined that recovery is unlikely, the applicable PS&I costs will be charged against income in the period of final determination.

To date, the return on assets held in our retirement benefit plans during 2011 have been below the 2010 return, which could impact the amount available to fund current and future obligations and may cause expenses and retirement plan cash contributions to increase in 2012.

Our strategy is focused on four key areas:

- Serve as a trusted and continually-improving provider of safe, reliable and cost-effective water, wastewater and related services;
- Provide a comprehensive suite of water and wastewater solutions in the continually-developing Delaware market that results in profitable growth;
- Pursue profitable growth in our core states of New Jersey and Delaware, as well as additional states; and
- Invest in products, services and other viable opportunities that complement our core 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 September 30, 2011

	(In Thousands) Three Months Ended September 30,					
	2011			2010		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	$ 26,119	$ 2,552	$ 28,671	$ 27,062	$ 2,523	$ 29,585
Operations and maintenance expenses	12,492	2,175	14,667	12,079	1,957	14,036
Depreciation expense	2,386	35	2,421	2,351	36	2,387
Other taxes	3,000	67	3,067	3,072	69	3,141
Operating income	8,241	275	8,516	9,560	461	10,021
Other income, net	336	638	974	113	73	186
Interest expense	1,680	23	1,703	1,791	28	1,819
Income taxes	2,267	377	2,644	2,449	203	2,652
Net income	$ 4,630	$ 513	$ 5,143	$ 5,433	$ 303	$ 5,736

Operating Revenues

Operating revenues for the three months ended September 30, 2011 decreased $0.9 million from the same period in 2010. This decrease was primarily related to the following factors:

- Middlesex System revenues decreased $0.9 million, primarily from decreased contract sales to municipalities ($0.5 million) and decreased sales to general meter service customers ($0.4 million), both resulting from cooler temperatures and higher precipitation in the third quarter of 2011 as compared to 2010; and
- Tidewater System revenues remained consistent, primarily due to decreased consumption sales from similar weather patterns experienced in the Middlesex System in the third quarter of 2011 as compared to 2010, offset by fixed service charges for new customers.

Operation and Maintenance Expense

Operation and maintenance expenses for the three months ended September 30, 2011 increased $0.6 million from the same period in 2010. This increase was primarily related to the following factors:

- Employee healthcare costs and postretirement benefit plan expenses increased $0.5 million;
- Increased net costs of $0.1 million from the implementation of a company wide information technology platform;
- Costs associated with main breaks decreased $0.1 million, as we experienced less severe, and a lower number of, water main breaks in 2011 as compared to 2010; and
- All other operation and maintenance expense categories increased $0.1 million.

Depreciation

Depreciation expense for the three months ended September 30, 2011 was consistent with the same period in 2010.

Other Taxes

Other taxes for the three months ended September 30, 2011 decreased $0.1 million from the same period in 2010, primarily due to lower gross receipts and franchise taxes resulting from lower revenues in our Middlesex System.

Other Income, net

Other Income, net for the three months ended September 30, 2011 increased $0.8 million from the same period in 2010, primarily related to the following factors:

- A gain of $0.6 million as a result of transferring USA's existing LineCare contracts to HomeServe; and
- Increased Allowance for Funds Used During Construction from higher capitalized interest resulting from higher average construction work in progress balances in the third quarter of 2011 as compared to the third quarter of 2010.

Interest Charges

Interest charges for the three months ended September 30, 2011 decreased $0.1 million from the same period in 2010, primarily due to lower interest rates on long term debt outstanding in the third quarter of 2011 as compared to the third quarter of 2010.

Income Taxes

Income taxes for the three months ended September 30, 2011 were consistent with the same period in 2010, primarily due to higher income taxes associated with the gain from the transfer of USA's LineCare contracts to HomeServe offset by lower income taxes from decreased operating income in the third quarter of 2011 as compared to the third quarter of 2010.

Net Income and Earnings Per Share

Net income for the three months ended September 30, 2011 decreased $0.6 million, or 10.3%, from the same period in 2010. Basic and diluted earnings per share decreased to $0.33 and $0.32, respectively, for the three months ended September 30, 2011 as compared to $0.37 and $0.36, respectively, for the three months ended September 30, 2010. The decreases in net income and earnings per share were due to the factors discussed above.

Results of Operations – Nine Months Ended September 30, 2011

	(In Thousands) Nine Months Ended September 30,					
	2011			2010		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	$ 70,708	$ 8,061	$ 78,769	$ 70,083	$ 7,685	$ 77,768
Operations and maintenance expenses	36,139	6,621	42,760	35,263	5,942	41,205
Depreciation expense	7,141	109	7,250	6,713	114	6,827
Other taxes	8,535	202	8,737	8,326	206	8,532
Operating income	18,893	1,129	20,022	19,781	1,423	21,204
Other income, net	811	753	1,564	914	222	1,136
Interest expense	4,557	74	4,631	5,018	107	5,125
Income taxes	4,772	785	5,557	4,878	617	5,495
Net income	$ 10,375	$ 1,023	$ 11,398	$ 10,799	$ 921	$ 11,720

Operating Revenues

Operating revenues for the nine months ended September 30, 2011 increased $1.0 million from the same period in 2010. This increase was primarily related to the following factors:

- Middlesex System revenues increased $0.7 million, primarily due to the 13.5% rate increase that went into effect in late March 2010 offset by decreased sales to general meter service and contract customers resulting from cooler temperatures and higher precipitation during the summer of 2011 as compared to 2010;
- Tidewater System revenues remained consistent, primarily due to decreased consumption sales from similar weather patterns experienced in the Middlesex System in 2011 as compared to 2010 and lower connection fees offset by increased fixed service charges for new customers; and
- USA-PA's revenues increased $0.3 million, primarily from scheduled increases in the fixed fees paid under contract with the City of Perth Amboy.

Operation and Maintenance Expense

Operation and maintenance expenses for the nine months ended September 30, 2011 increased $1.6 million from the same period in 2010. This increase was primarily related to the following factors:

- Labor costs increased $0.5 million primarily due to higher average labor rates from annual wage increases and lower capitalized labor;

- Employee healthcare costs and postretirement benefit plan expenses increased $0.9 million;
- Increased net costs of $0.3 million from the implementation of a company wide information technology platform;
- Increased subcontractor charges of $0.3 million at our USA-PA subsidiary;
- Increased transportation charges of $0.1 million primarily resulting from higher average gasoline prices;
- Variable production costs decreased $0.4 million primarily due to lower purchase power costs resulting from decreased consumption;
- Costs associated with water main breaks decreased $0.3 million, as we experienced less severe and a lower number of main breaks in 2011 as compared to 2010; and
- All other operating and maintenance expense categories increased $0.2 million.

Depreciation

Depreciation expense for the nine months ended September 30, 2011 increased $0.4 million from the same period in 2010 due to a higher level of utility plant in service.

Other Taxes

Other taxes for the nine months ended September 30, 2011 increased $0.2 million from the same period in 2010, primarily due to increased taxes on higher taxable gross revenues ($0.1 million) and higher payroll taxes on increased employee wages ($0.1 million).

Interest Charges

Interest charges for the nine months ended September 30, 2011 decreased $0.5 million from the same period in 2010, primarily due to the following:

- Lower average short term debt outstanding in 2011 as compared to 2010; and
- Lower interest rates on long term debt outstanding in 2011 as compared to 2010.

Other Income, net

Other Income, net for the nine months ended September 30, 2011 increased $0.4 million from the same period in 2010, primarily due to:

- A gain of $0.6 million as a result of transferring USA's LineCare contracts to HomeServe; and
- Decreased Allowance for Funds Used During Construction ($0.2 million) from lower capitalized interest resulting from lower average construction work in progress balances in 2011 as compared to 2010.

Income Taxes

Income taxes for the nine months ended September 30, 2011 increased $0.1 million from the same period in 2010, primarily due to higher income taxes associated with the gain from the transfer of USA's LineCare contracts to HomeServe partially offset by lower income taxes on decreased operating income in 2011 as compared to 2010.

Net Income and Earnings Per Share

Net income for the nine months ended September 30, 2011 decreased $0.3 million, or 2.7%, from the same period in 2010. Basic and diluted earnings per share decreased to $0.72 for the nine months ended September 30, 2011 as compared to $0.81 and $0.80, respectively, for the nine months ended September 30, 2010. In addition to the effect of the decrease in net income, earnings per share also decreased from a higher number of average shares outstanding in 2011 due to the Company's public offering of 1.9 million shares of common stock in June 2010.

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 customer growth. The effect of those factors on net income is discussed in "Results of Operations."

For the nine months ended September 30, 2011, cash flows from operating activities increased $1.3 million to $17.1 million. Decreases in accounts receivable and unbilled revenues were the primary reasons for the increase in cash flow. The $17.1 million of net cash flow from operations enabled us to fund 96.7% of our 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 and, when market conditions are favorable, proceeds from sales of common stock under our Amended and Restated Dividend Reinvestment and Common Stock Purchase Plan (DRP) and common stock offerings. See below for a more detailed discussion regarding the funding of our capital program.

The capital investment program for 2011 is currently estimated to be $21.9 million. Through September 30, 2011, we have expended $17.7 million and expect to incur approximately $4.2 million for capital projects for the remainder of 2011.

We currently project that we may be required to expend approximately $43 million for capital projects in 2012 and 2013. The exact amount is dependent on customer growth, residential housing sales, project scheduling and refinement of engineering estimates for certain capital projects.

To fund our capital program for the remainder of 2011, 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 SRF loans (currently, $2.9 million) and Delaware SRF loans (currently, $2.7 million). The SRF programs provide low cost financing for projects that meet certain water quality and system improvement benchmarks.
- Short-term borrowings, if necessary, through $60.0 million of available lines of credit with several financial institutions. As of September 30, 2011, the outstanding borrowings under these credit lines were $24.3 million.

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

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 2038. Over the next twelve months, approximately $4.6 million of the current portion of 31 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.

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, 2010.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Removed and Reserved

Item 5. Other Information

None.

Item 6. Exhibits

10.4	Copy of Amended Supply Agreement, dated as of July 27, 2011, between the Company and the Old Bridge Municipal Utilities Authority.
10.40	Amended Promissory Note 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*

*XBRL information is furnished, not filed.

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 and
Chief Financial Officer
(Principal Accounting Officer)

Date: November 4, 2011

Exhibit 10.4

AGREEMENT

for a Supply of Water

between

MIDDLESEX WATER COMPANY

and the

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY

Entered into as of July 27, 2011

This Agreement (hereinafter referred to as the "Agreement") is entered into as of this 27th day of July, 2011, between:

MIDDLESEX WATER COMPANY, a public utility and corporation organized under the laws of the State of New Jersey, with offices at 1500 Ronson Road, Iselin, New Jersey (hereinafter referred to as "Middlesex")

and the

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY, a public body corporate and politic of the Township of Old Bridge, County of Middlesex, State of New Jersey, organized pursuant to N.J.S.A. 40:14B-1, et seq. (hereinafter referred to as "Old Bridge").

W I T N E S S E T H:

WHEREAS, Middlesex owns and operates a public water supply system; and

WHEREAS, Old Bridge has requested that Middlesex provide it with a supply of water for private and public use; and

WHEREAS, Middlesex has been providing a supply of water to Old Bridge pursuant to an agreement dated November 17, 1986, as amended April 21, 1999 and May 7, 2003; and

WHEREAS, the parties have determined that it is in their mutual best interest to amend and restate such agreement relating to the supply of water for public and private use, and the provisions of this Agreement are designed to accomplish such purpose; and

WHEREAS, this Agreement is designed to replace any and all existing agreements between the parties relating to a supply of water.

Now therefore, in consideration of the premises and of the mutual covenants herein contained, the parties agree that:

1. Supply of Water.

Middlesex agrees to supply Old Bridge with water, and Old Bridge agrees to accept such water upon the terms and conditions set forth herein.

2. <u>Term</u>.

The term of this Agreement shall be ten (10) years from the date hereof. Except as otherwise provided herein, or as the parties may mutually agree upon, service shall terminate on a date that is twelve (12) years following the date hereof.

At the end of such time, however, at the sole option of Old Bridge, the Agreement may be renewed for an additional period of up to twenty (20) years, from the date of expiration, and thereupon the terms of the Agreement shall otherwise remain in full force and effect. If Old Bridge intends to exercise this option to renew, Old Bridge shall provide to Middlesex written notice thereof at least three hundred sixty-five (365) days prior to the termination of this Agreement. The terms of the Agreement shall remain in effect after the termination date and any periods of renewal of the Agreement, unless written notice of intention to terminate the Agreement is given by either party at least three hundred sixty five (365) days prior to the end of any such period. In the event that such notice has not been given, the Agreement shall remain in effect until the earlier of (a) renewal or modification of the Agreement by consent of both parties, or (b) a date no less than three hundred sixty five (365) days after the date that either party provides written notification of termination.

3. <u>Rates</u>.

Old Bridge shall pay Middlesex at a rate which is the sum of (a) the rate for Service Under Contract pursuant to Rate Schedule No. 5 of Middlesex's tariff, currently at the rate of $1,937.90 per million gallons (Exhibit A attached hereto), and (b) the rate for Transmission Service South River Basin pursuant to Rate Schedule No. 7 of Middlesex's tariff, currently at the rate of $508.63 per million gallons (Exhibit B attached hereto); or as applicable rates and tariffs may be established and/or changed from time to time with the approval of the New Jersey Board of Public Utilities ("BPU") as required by law. (Such rate is hereinafter referred to as the "Contract Rate.") Old Bridge shall pay Middlesex at the said Contract Rate for the greater of the Daily Minimum quantity of water (as defined below in Article 7) or for all water delivered to Meter Stations (as defined below in Article 5 (Meter Stations/Points of Delivery) up to and including the Allowable Excess as determined under Article 8 (a). Old Bridge shall pay Middlesex at the applicable Peaking Charges, set forth in Article 8, for all water in excess of the Allowable Excess.

4. Delivery System.

Water to be supplied by Middlesex hereunder shall be delivered to Old Bridge through Middlesex's water transmission system and all existing interconnections located on such transmission system as existed at the date of this Agreement and such other interconnections as may be reasonably agreed upon from time to time.

5. Meter Stations/Points of Delivery.

The parties understand and agree that delivery shall be made through such points of delivery in Old Bridge Township as may be reasonably agreed upon from time to time by the parties (hereinafter referred to as "Meter Stations"). Water so supplied shall be metered at the Meter Stations.

6. Meters, Services and Other Appurtenances.

Middlesex shall furnish, install and maintain at its own cost such service connections and meters as it shall deem necessary for connection to the Meter Stations. The meters and service pipes shall remain the property of Middlesex. Middlesex shall maintain and verify the accuracy of said meters annually, and Old Bridge shall have the right of access to the Meter Stations to test the meters by a certified meter technician at any reasonable time upon written notice. Old Bridge shall provide for furnishing, installing and maintaining at its own cost all other piping, fittings, valves, meter pits or vaults and appurtenances, including pressure reducing stations, necessary to take water from Middlesex.

7. Minimum Payment Obligation.

(a) Old Bridge shall be obligated to pay for the Daily Minimum quantity of water at the Contract Rate. “Daily Minimum” shall mean

(i) Two (2.0) million gallons of water a day, or

(ii) Such greater amount as may be elected under Article 7 (b) of this Agreement.

(b) At any time during the term of this Agreement, Old Bridge may elect, upon written notification to Middlesex, to increase the Daily Minimum quantity of water to a greater quantity of water (hereinafter referred to as the “Revised Daily Minimum”). Once such an election is made by Old Bridge, the Revised Daily Minimum quantity of water shall remain in effect for a period of at least twelve (12) months from the effective date of such election unless further increased pursuant to this Agreement. At the end of such twelve (12) month period, the Revised Daily Minimum shall remain in effect unless Old Bridge, at its sole option, shall further amend (increase or decrease) the Revised Daily Minimum. Each such election to amend shall be on written notice to Middlesex and shall remain in effect for a period of twelve (12) months from the effective date of such election unless further increased pursuant to this Agreement. Any election to decrease the Revised Daily Minimum shall not be reduced below the initial amount of two (2) million gallons of water a day specified in Article 7(a)(i) of this Agreement.

8. Peaking Charges.

(a) The total daily quantity of water taken by Old Bridge at the Meter Stations may exceed the Daily Minimum or the Revised Daily Minimum by up to 50% on a 24-hour basis without affecting the Contract Rate. The quantity of water taken in the peak hour multiplied by 24 may exceed the Daily Minimum or the Revised Daily Minimum by up to 100% without affecting the Contract Rate. Such excess quantities of water are known as the “Allowable Excess”.

(b) If the quantity of water taken in a 24-hour period shall exceed the Daily Minimum or the Revised Daily Minimum by more than 50%, ("Daily Peaking Excess"), Old Bridge shall pay for such Daily Peaking Excess at a rate (the "Daily Peaking Rate") determined by the following formula:

(i) A fraction (the numerator of which is the actual daily usage; and the denominator of which is the applicable Daily Minimum or Revised Daily Minimum then in effect multiplied by 1.5) multiplied by the Contract Rate.

For example, if the actual daily usage is 4.2 million gallons, and the Daily Minimum is 2 million gallons and the Contract Rate is $2,446.53:

$$\frac{4.2}{2 \times 1.5} \quad x \quad \text{Contract Rate}$$

1.4 x $2,446.53 = $3,425.14 (Daily Peaking Rate)

In this example, the charge for the Daily Peaking Excess would be $4,110.17 calculated as follows:

4.2 - 3.0 (Allowable Excess) = 1.2 (Daily Peaking Excess)

1.2 x $3,425.14 = $4,110.17

(c) If the quantity of water supplied in the maximum peak hour multiplied by 24 shall exceed the Daily Minimum or the Revised Daily Minimum by more than 100%, ("Hourly Peaking Excess") Old Bridge shall pay for such Hourly Peaking Excess with a charge (the "Hourly Peaking Charge") determined by the following formula:

(i) A fraction (the numerator of which is the quantity of water supplied in the maximum peak hour multiplied by 24; and the denominator of which is the applicable Daily Minimum or Revised Daily Minimum then in effect multiplied by 2.0) multiplied by the Contract Rate.

For example, if the quantity of water supplied in the maximum peak hour multiplied by 24 equals 5 million gallons; and the Daily Minimum is 2 million gallons and the Contract Rate is $2,446.53:

$$\frac{5}{2 \times 2} \quad x \quad \text{Contract Rate}$$

1.25 x $2,446.53 = $3,058.16 (Hourly Peaking Charge)

In this example, the charge for such Hourly Peaking Excess would be $3,058.16. A similar calculation would be made for each day there is an Hourly Peaking Excess, but there shall not be more than one such Hourly Peaking Charge in each 24-hour period.

(d) In no instance, and under no conditions, shall the daily 24-hour quantity of water supplied and purchased under this Agreement exceed nine (9) million gallons, nor shall the maximum hourly flow exceed the rate of twelve (12) million gallons per day, unless otherwise agreed in writing by the parties.

9. Payment.

The terms are net cash on presentation of invoice.

10. Combined Charge.

Payments for water (in excess of the Daily Minimum or the Revised Daily Minimum and adjustments of the Daily Minimum or the Revised Daily Minimum under Article 7) shall be determined on the basis of the combined total daily quantity of water supplied through all the Meter Stations as determined by meter readings at said Meter Stations.

11. <u>Meter Readings</u>.

Middlesex will read the meters daily (at a regular hour determined by Middlesex) for all water supplied to Old Bridge at each connection then in operation.

12. <u>Definitions</u>.

Where the words “daily” or “24 hours” are used in this contract, they shall refer to the 24-hour period between the daily meter readings.

13. <u>Quality</u>.

All water delivered to Old Bridge by Middlesex under this Agreement shall comply with all Federal and State requirements for safe drinking water.

14. <u>Scheduling</u>.

Middlesex shall have the right to modify its rate of delivery to manage its system requirements in accordance with accepted operating procedures. Old Bridge shall give Middlesex reasonable advance notice of any anticipated departures from its then normal usage.

15. <u>Exceptions for Emergencies</u>.

The Daily Minimum or Revised Daily Minimum payment obligation shall not be affected in the event that the amount of water supplied by Middlesex to Old Bridge exceeds the daily or hourly limitations established herein for not more than twenty four (24) hours in case of documented fire or main break emergencies experienced by Old Bridge and for not more that five (5) days in the case of other catastrophes experienced by Old Bridge requiring an emergency supply of water, provided Middlesex is promptly notified that any such emergency exists.

16. <u>Excused Performance</u>.

Middlesex agrees to provide a continuous, regular and uninterrupted supply of water at the Meter Stations, subject to delays in initiating service or interruptions in service by reasons of acts of God, accident, strike, legal process, or other cause beyond its control, or failure, refusal, or delay on the part of any governmental or regulatory body having jurisdiction in issuing permits, approvals, authorizations, licenses, rights-of-way or the like. Middlesex shall not be liable for damages to Old Bridge by reason of inadequate pressure or volume or quality or failure to provide water for any cause whatsoever provided that the same does not arise out of the negligence of Middlesex. In the event of an interruption in service Middlesex agrees to act diligently within the bounds of normal operating procedures to return service to normal.

17. Indemnification.

Old Bridge shall completely indemnify, protect and save harmless Middlesex from any and all costs, expenses, liability, losses, claims, suits and proceedings of any nature whatsoever arising out of the water service by Old Bridge. However, as to claims involving water quality, this paragraph is intended not to apply to water until after it is delivered to Old Bridge's system, i.e., after water is supplied through points of delivery referred to in Article 5.

Middlesex shall completely indemnify, protect and save harmless Old Bridge from all costs, expenses, liability, losses, claims, suits and proceedings of any nature whatsoever caused by any breach by Middlesex of its obligations under this Agreement.

Notwithstanding anything herein to the contrary, each party's aggregate liability to the other arising out of or in connection with this Agreement shall not exceed an amount equal to one year's gross revenues required to be paid by Old Bridge to Middlesex based upon the Daily Minimum or Revised Daily Minimum in effect at the time of the occurrence giving rise to the liability, and each party hereby releases the other from any liability in excess thereof. This paragraph is not intended to limit either party's liability to third parties.

18. Regulatory Approvals.

This Agreement shall be filed with and subject to approval by the BPU and the New Jersey Department of Environmental Protection as may be required by law.

Middlesex shall expeditiously initiate the said filings for the said approvals. Both parties agree to cooperate and act in good faith in connection with obtaining these and any other regulatory authorizations.

19. Miscellaneous.

To the extent not inconsistent with this Agreement, all other provisions of Middlesex's tariff shall be deemed to govern service hereunder.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first written above.

MIDDLESEX WATER COMPANY

ATTEST:

By: /s/Dennis W. Doll
Dennis W Doll, President

/s/ Kenneth J. Quinn
Kenneth J. Quinn
Secretary

OLD BRIDGE MUNICIPAL
UTILITIES AUTHORITY

ATTEST:

By: /s/Thomas Galante
Thomas Galante, Chairman

/s/Kiran Desai
Kiran Desai, Secretary

RATE SCHEDULE NO. 5

SERVICE UNDER CONTRACT - SC

APPLICABILITY:

Applicable to service provided under special agreements. Such special agreements are available to customers that meet criteria as specified by the Board of Public Utilities and such agreements will be filed with the Board on a case by case basis.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

All water used shall be charged at the rate of $1,937.90 per million gallons.

TERMS OF PAYMENT:

Bills will be rendered monthly.
A customer has at least 15 days from the postmark on the bill to pay a valid bill for service.

SPECIAL PROVISIONS:

As provided under special agreements.

Date of Issue: August 17, 2009

Effective for service
Rendered on and after:

March 17, 2010

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated March 17, 2010, in Docket No. WR09080666.

RATE SCHEDULE NO. 7

TRANSMISSION SERVICE SOUTH RIVER BASIN - TR-SRB

APPLICABILITY:

Applicable to water transmission service to the South River Basin area provided to customers under special agreements at the option of the Company.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

All water used shall be charged at the combined rate of $508.63 per million gallons for transmission plus the rate for Service Under Contract as provided in Rate Schedule No. 5.

TERMS OF PAYMENT:

As provided by contract.
Bills to be rendered monthly.
A customer has at least 15 days from the postmark on the bill to pay a valid bill for service.

SPECIAL PROVISIONS:

As provided under special agreements.

Date of Issue: August 17, 2009

Effective for service
Rendered on and after:

March 17, 2010

Issued by: Dennis W. Doll, President
1500 Ronson Road
Iselin, New Jersey 08830-3020

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey, dated March 17, 2010, in Docket No. WR09080666.

Exhibit 10.40

Loan No. RX0024T6A

FIRST AMENDMENT TO
PROMISSORY NOTE AND SUPPLEMENT
(Revolving Term Loan Supplement)

THIS FIRST AMENDMENT TO PROMISSORY NOTE AND SUPPLEMENT (this "Amendment"), is entered into as of August 31, 2011, 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 dated as of March 17, 2009 and number RX0024T6 (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. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to those terms in the Supplement.

SECTION 2. Amendments.

(A) The Commitment. Section 1 of the Existing Supplement is hereby amended and restated to read as follows:

> **SECTION 1. The Commitment**. On the terms and conditions set forth in the MLA and this Promissory Note and Supplement, CoBank agrees to make loans (each a "Loan") to the Company during the period set forth below in an aggregate principal amount not to exceed $12,000,000 at any one time outstanding (the "Commitment"). Within the limits and during the term of the Commitment, the Company may borrow, prepay and reborrow.

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

> **Term.** The term of the Commitment shall be from the date hereof up to and including November 30, 2014, or such later date as CoBank may, in its sole discretion, authorize in writing.

SECTION 3. Representations and Warranties. To induce CoBank to enter into this Amendment, the Company represents and warrants that: (A) 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, and creates legal, valid, and binding obligations of the Borrower 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 Agreement, including, without limitation, the requirement to notify CoBank of the commencement of material litigation and of certain environmental matters.

SECTION 4. **Confirmation.** Except as amended hereby, the Supplement shall remain in full force and effect as written.

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

Exhibit 31.1

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: November 4, 2011

Exhibit 31.2

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: November 4, 2011

Exhibit 32.1

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: November 4, 2011

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.

Exhibit 32.2

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: November 4, 2011

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.