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 June 30, 2021

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.)

485C Route One South, Iselin, New Jersey08830
(Address of principal executive offices, including zip code)

(732) 634-1500
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MSEX	NASDAQ

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, a smaller reporting company or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, non-accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐
Smaller reporting company ☐		Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 July 30, 2021: Common Stock, No Par Value: 17,490,561 shares outstanding.

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

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating Revenues	**$ 36,701**	$ 35,277	**$ 69,242**	$ 67,046
Operating Expenses:				
Operations and Maintenance	**17,959**	17,620	**36,315**	34,812
Depreciation	**5,187**	4,629	**10,019**	9,077
Other Taxes	**3,741**	3,643	**7,460**	7,245
Total Operating Expenses	**26,887**	25,892	**53,794**	51,134
Operating Income	**9,814**	9,385	**15,448**	15,912
Other Income (Expense):				
Allowance for Funds Used During Construction	**768**	795	**2,031**	1,917
Other Income (Expense), net	**790**	334	**1,564**	720
Total Other Income, net	**1,558**	1,129	**3,595**	2,637
Interest Charges	**2,070**	1,946	**3,808**	3,615
Income before Income Taxes	**9,302**	8,568	**15,235**	14,934
Income Taxes	**(1,621)**	(1,145)	**(2,593)**	(2,447)
Net Income	**10,923**	9,713	**17,828**	17,381
Preferred Stock Dividend Requirements	**30**	30	**60**	60
Earnings Applicable to Common Stock	**$ 10,893**	$ 9,683	**$ 17,768**	$ 17,321
Earnings per share of Common Stock:				
Basic	**$ 0.62**	$ 0.55	**$ 1.02**	$ 0.99
Diluted	**$ 0.62**	$ 0.55	**$ 1.01**	$ 0.99
Average Number of Common Shares Outstanding:				
Basic	**17,488**	17,462	**17,482**	17,449
Diluted	**17,603**	17,577	**17,597**	17,564

See Notes to Condensed Consolidated Financial Statements.

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

ASSETS		June 30, 2021	December 31, 2020
UTILITY PLANT:	Water Production	$ **219,291**	$ 168,080
	Transmission and Distribution	**670,951**	648,763
	General	**93,215**	85,056
	Construction Work in Progress	**43,489**	80,055
	TOTAL	**1,026,946**	981,954
	Less Accumulated Depreciation	**191,512**	185,356
	UTILITY PLANT - NET	**835,434**	796,598
CURRENT ASSETS:	Cash and Cash Equivalents	**6,026**	4,491
	Accounts Receivable, net of allowance for uncollectible accounts of $2,280 and $2,053, respectively	**13,280**	14,569
	Unbilled Revenues	**8,817**	7,065
	Materials and Supplies (at average cost)	**4,661**	5,112
	Prepayments	**4,458**	2,886
	TOTAL CURRENT ASSETS	**37,242**	34,123
OTHER ASSETS:	Operating Lease Right of Use Asset	**4,852**	5,209
	Preliminary Survey and Investigation Charges	**7,556**	5,192
	Regulatory Assets	**118,230**	118,144
	Restricted Cash	**163**	5,913
	Non-utility Assets - Net	**11,424**	11,207
	Other	**74**	84
	TOTAL OTHER ASSETS	**142,299**	145,749
	TOTAL ASSETS	$ **1,014,975**	$ 976,470
CAPITALIZATION AND LIABILITIES			
CAPITALIZATION:	Common Stock, No Par Value	$ **218,100**	$ 217,451
	Retained Earnings	**136,998**	128,757
	TOTAL COMMON EQUITY	**355,098**	346,208
	Preferred Stock	**2,084**	2,084
	Long-term Debt	**272,504**	273,244
	TOTAL CAPITALIZATION	**629,686**	621,536
CURRENT LIABILITIES:	Current Portion of Long-term Debt	**7,170**	7,255
	Notes Payable	**31,500**	2,000
	Accounts Payable	**23,100**	30,443
	Accrued Taxes	**12,220**	10,138
	Accrued Interest	**2,168**	2,137
	Unearned Revenues and Advanced Service Fees	**1,404**	1,255
	Other	**3,183**	3,620
	TOTAL CURRENT LIABILITIES	**80,745**	56,848
COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)			
OTHER LIABILITIES:	Customer Advances for Construction	**23,632**	23,404
	Lease Obligations	**4,703**	5,042
	Accumulated Deferred Income Taxes	**62,058**	61,297
	Employee Benefit Plans	**32,906**	34,426
	Regulatory Liabilities	**56,266**	60,792
	Other	**1,157**	1,135
	TOTAL OTHER LIABILITIES	**180,722**	186,096
CONTRIBUTIONS IN AID OF CONSTRUCTION		**123,822**	111,990
	TOTAL CAPITALIZATION AND LIABILITIES	$ **1,014,975**	$ 976,470

See Notes to Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	**$ 17,828**	$ 17,381
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**12,900**	10,304
Provision for Deferred Income Taxes and Investment Tax Credits	**(7,852)**	(7,206)
Equity Portion of Allowance for Funds Used During Construction (AFUDC)	**(1,171)**	(1,182)
Cash Surrender Value of Life Insurance	**(109)**	(47)
Stock Compensation Expense	**760**	632
Changes in Assets and Liabilities:		
Accounts Receivable	**1,289**	(711)
Unbilled Revenues	**(1,752)**	(1,756)
Materials & Supplies	**451**	171
Prepayments	**(1,572)**	(1,594)
Accounts Payable	**(7,343)**	(503)
Accrued Taxes	**2,082**	2,471
Accrued Interest	**31**	61
Employee Benefit Plans	**790**	840
Unearned Revenue & Advanced Service Fees	**149**	118
Other Assets and Liabilities	**(1,902)**	1,803
NET CASH PROVIDED BY OPERATING ACTIVITIES	**14,579**	20,782
CASH FLOWS FROM INVESTING ACTIVITIES:		
Utility Plant Expenditures, Including AFUDC of $860 in 2021 and $735 in 2020	**(46,500)**	(45,417)
NET CASH USED IN INVESTING ACTIVITIES	**(46,500)**	(45,417)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemption of Long-term Debt	**(2,332)**	(2,288)
Proceeds from Issuance of Long-term Debt	**1,595**	9,721
Net Short-term Bank Borrowings	**29,500**	17,500
Deferred Debt Issuance Expense	**(14)**	(33)
Proceeds from Issuance of Common Stock	**596**	608
Payment of Common Dividends	**(9,527)**	(8,942)
Payment of Preferred Dividends	**(60)**	(60)
Construction Advances and Contributions-Net	**7,946**	3,762
NET CASH PROVIDED BY FINANCING ACTIVITIES	**27,704**	20,268
NET CHANGES IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**(4,217)**	(4,367)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	**10,406**	46,499
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	**$ 6,189**	$ 42,132
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:		
Utility Plant received as Construction Advances and Contributions	$ **3,357**	$ 3,796
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash Paid During the Year for:		
Interest	$ **3,975**	$ 3,754
Interest Capitalized	$ **860**	$ 735
Income Taxes	$ **2,320**	$ 377

See Notes to Condensed Consolidated Financial Statements.

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

		June 30, 2021		December 31, 2020
Common Stock, No Par Value				
Shares Authorized - 40,000				
Shares Outstanding - 2021 - 17,490; 2020 - 17,473	$	**218,100**	$	217,451
Retained Earnings		**136,998**		128,757
TOTAL COMMON EQUITY	$	**355,098**	$	346,208
Cumulative Preferred Stock, No Par Value:				
Shares Authorized - 120				
Shares Outstanding - 2021 - 20: 2020 - 20				
Convertible:				
Shares Outstanding, $7.00 Series - 10	$	**1,005**	$	1,005
Nonredeemable:				
Shares Outstanding, $7.00 Series - 1		**79**		79
Shares Outstanding, $4.75 Series - 10		**1,000**		1,000
TOTAL PREFERRED STOCK	$	**2,084**	$	2,084
Long-term Debt:				
First Mortgage Bonds, 0.00%-5.50%, due 2021-2059	**$**	**187,199**	$	187,667
Amortizing Secured Notes, 4.45%-8.05%, due 2021-2040		**29,133**		30,643
State Revolving Trust Notes, 2.00%-4.22%, due 2022-2038		**8,032**		8,384
State Revolving Fund Bond, 0.00%, due 2021		**10**		11
Construction Loans, 0.00%		**52,131**		50,536
SUBTOTAL LONG-TERM DEBT		**276,505**		277,241
Add: Premium on Issuance of Long-term Debt		**7,470**		7,669
Less: Unamortized Debt Expense		**(4,301)**		(4,411)
Less: Current Portion of Long-term Debt		**(7,170)**		(7,255)
TOTAL LONG-TERM DEBT	$	**272,504**	$	273,244

See Notes to Condensed Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands)

	Common Stock Shares		Common Stock Amount		Retained Earnings		Total
For the Three Months Ended June 30, 2020							
Balance at April 1, 2020	17,439	$	215,600	$	111,800	$	327,400
Net Income	-		-		9,713		9,713
Dividend Reinvestment & Common Stock Purchase Plan	4		294		-		294
Restricted Stock Award - Net - Employees	17		226		-		226
Restricted Stock Award - Board of Directors	4		245		-		245
Cash Dividends on Common Stock ($0.2563 per share)	-		-		(4,475)		(4,475)
Cash Dividends on Preferred Stock	-		-		(30)		(30)
Balance at June 30, 2020	17,464	$	216,365	$	117,008	$	333,373
For the Six Months Ended June 30, 2020							
Balance at January 1, 2020	17,434	$	215,125	$	108,667	$	323,792
Net Income	-		-		17,381		17,381
Dividend Reinvestment & Common Stock Purchase Plan	9		608		-		608
Restricted Stock Award - Net - Employees	17		387		-		387
Restricted Stock Award - Board of Directors	4		245				245
Cash Dividends on Common Stock ($0.5125 per share)	-		-		(8,942)		(8,942)
Cash Dividends on Preferred Stock	-		-		(60)		(60)
Common Stock Issuance Expenses	-		-		(38)		(38)
Balance at June 30, 2020	17,464	$	216,365	$	117,008	$	333,373
For the Three Months Ended June 30, 2021							
Balance at April 1, 2021	17,478	$	217,977	$	130,873	$	348,850
Net Income	-		-		10,923		10,923
Dividend Reinvestment & Common Stock Purchase Plan	3		272		-		272
Restricted Stock Award - Net - Employees	6		(394)		-		(394)
Restricted Stock Award - Board of Directors	3		245		-		245
Cash Dividends on Common Stock ($0.2725 per share)	-		-		(4,768)		(4,768)
Cash Dividends on Preferred Stock	-		-		(30)		(30)
Balance at June 30, 2021	**17,490**	$	**218,100**	$	**136,998**	$	**355,098**
For the Six Months Ended June 30, 2021							
Balance at January 1, 2021	17,473	$	217,451	$	128,757	$	346,208
Net Income	-		-		17,828		17,828
Dividend Reinvestment & Common Stock Purchase Plan	8		596		-		596
Restricted Stock Award - Net - Employees	6		(192)		-		(192)
Restricted Stock Award - Board of Directors	3		245				245
Cash Dividends on Common Stock ($0.5450 per share)	-		-		(9,527)		(9,527)
Cash Dividends on Preferred Stock	-		-		(60)		(60)
Balance at June 30, 2021	**17,490**	$	**218,100**	$	**136,998**	$	**355,098**

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), and Utility Service Affiliates (Perth Amboy) Inc. (USA-PA). 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 are reported on a consolidated basis. All significant intercompany accounts and transactions have been eliminated.

The consolidated notes within the 2020 Annual Report on Form 10-K (the 2020 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 June 30, 2021, the results of operations for the three month and six month periods ended June 30, 2021 and 2020 and cash flows for the six month periods ended June 30, 2021 and 2020. Information included in the Condensed Consolidated Balance Sheet as of December 31, 2020, has been derived from the Company's December 31, 2020 audited financial statements included in the 2020 Form 10-K.

Recent Developments

Loan Agreement - In March 2021, Tidewater entered into a $20 million loan agreement with CoBank, ACB (CoBank). Tidewater has yet to borrow from CoBank under this agreement and has the option to borrow in minimum increments of $0.1 million through September 29, 2021. The interest rate will be set on the date of the applicable borrowing and the term of any borrowing cannot exceed twenty-five years. Proceeds from the loan will first be used to pay off balances under the Company's lines of credit (see Note 6 – *Short Term Borrowings*), with remaining proceeds used to finance a portion of Tidewater's 2021 capital program.

Middlesex Financing Petition – In June 2021, Middlesex received approval from the New Jersey Board of Public Utilities (NJBPU) to redeem up to $45.5 million of outstanding first mortgage bonds and issue replacement first mortgage bonds at an overall lower cost of debt. Middlesex expects to complete the refinancing by December 31, 2021.

Novel Coronavirus (COVID-19) – In March 2020, the United States declared the COVID-19 pandemic a national emergency, which was extended on February 24, 2021, and remains in effect. While the Company's operations and capital construction program have not been materially disrupted to date from the pandemic, the COVID-19 impact on economic conditions nationally continues to be uncertain and could affect the Company's results of operations, financial condition and liquidity in the future. In New Jersey and Delaware, where our operations are located, the declared COVID-19 State of Emergency Orders ended in June 2021 and July 2021, respectively.

The NJBPU and the Delaware Public Service Commission (DEPSC) have approved the tracking of COVID-19 related incremental costs for potential recovery in customer rates in future rate proceedings. Neither jurisdiction has established a timetable or definitive formal procedures for seeking cost recovery. Since March 2020, the Company has increased its allowance for doubtful accounts for expected increases in accounts receivable write-offs due to the financial impact of COVID-19 on customers. We will continue to monitor the effects of COVID-19 and evaluate its impact on the Company's business, results of operations, financial condition and liquidity.

Recent Accounting Guidance

There is no 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 – In May 2021, Middlesex filed a petition with the NJBPU seeking permission to increase annual base water revenues by approximately $31 million. The request was necessitated predominantly by capital infrastructure investments Middlesex has made, or has committed to make, to address aging drinking water infrastructure and a variety of other improvements to help ensure continued resiliency, reliability and overall quality of service since Middlesex's last base rate increase filing in New Jersey in 2017. We cannot predict when and whether the NJBPU will ultimately approve, deny, or reduce the amount of the request. Under New Jersey statute, the NJPBU must render a decision within nine months of filing a base rate change petition.

In March 2021, the NJBPU approved Middlesex's petition to reset its Purchased Water Adjustment Clause (PWAC) tariff rate to recover additional costs of $1.1 million for the purchase of treated water from a non-affiliated regulated water utility. The new PWAC rate became effective April 4, 2021. A PWAC is a rate mechanism that allows for recovery of increased purchased water costs between base rate case filings. It is reset to zero once those increased costs are included in base rates.

Tidewater - Effective January 1, 2021, Tidewater increased its DEPSC-approved Distribution System Improvement Charge (DSIC) rate, which was expected to generate revenues of approximately $0.6 million annually. A DSIC is a rate-mechanism that allows water utilities to recover investments in, and generate a return on, qualifying capital improvements made between base rate proceedings.

In March 2021, Tidewater was notified by the DEPSC that it had determined Tidewater's earned rate of return exceeded the rate of return authorized by the DEPSC. Consequently, Tidewater reset its DSIC rate to zero effective April 1, 2021 and is refunding customers, with interest, in the form of an account credit for DSIC revenue billed between April 1, 2020 and March 31, 2021. Accordingly, in March 2021, Tidewater recorded a $0.8 million reserve, net of tax, for such refunds. Tidewater applied the refund credits to individual customer accounts during the second quarter of 2021.

Twin Lakes Utilities, Inc. (Twin Lakes) - Twin Lakes provides water services to approximately 115 residential customers in Shohola, Pennsylvania. In 2020, Twin Lakes filed a petition requesting the Pennsylvania Public Utilities Commission (PAPUC) to order the acquisition of Twin Lakes by a public utility pursuant to Section 529 of the Pennsylvania Public Utility Code. The PAPUC assigned an Administrative Law Judge (ALJ) to adjudicate the matter and submit a recommended decision (Recommended Decision) to the PAPUC. In April 2021, the ALJ issued a Recommended Decision concluding Twin Lakes has fully met the criteria for the PAPUC to order the acquisition of Twin Lakes by a public utility pursuant to Section 529. The ALJ, however, recommended that the PAPUC condition the acquisition of Twin Lakes pursuant to Section 529 upon Twin Lakes' parent, Middlesex, contributing $1.7 million to an escrow account for the purpose of offsetting future capital expenditures assumed by the ALJ to be incurred by the ultimate purchaser of the Twin Lakes water system. The sale price and final agreement to sell Twin Lakes would be subsequently negotiated. In May 2021, Twin Lakes filed a brief with the PAPUC detailing its objections to certain of the ALJ's conclusions.

Twin Lakes remains under the operation of a large PAPUC regulated investor-owned water utility as the receiver, which had been appointed by the PAPUC under an Order effective January 15, 2021. The receivership is to remain in place until the final outcome of the Section 529 proceeding.

It is unknown at this time if the PAPUC will affirm or deny the Recommended Decision in whole, or in part. Separate from the disposition of this matter by the PAPUC, or any further litigation which may proceed beyond the PAPUC's final decision, the financial results, total assets and financial obligations of Twin Lakes are not material to Middlesex.

Note 3 – Capitalization

Common Stock - During the six months ended June 30, 2021 and 2020, there were 7,787 common shares (approximately $0.6 million) and 9,378 common shares (approximately $0.6 million), respectively, issued under the Middlesex Water Company Investment Plan (the Investment Plan).

Long-term Debt - Subject to regulatory approval, the Company periodically issues long-term debt to fund its investments in utility plant. To the extent possible, the Company finances qualifying capital projects under State Revolving Fund (SRF) loan programs in New Jersey and Delaware. These government programs provide financing at interest rates that are typically below rates available in the broader financial markets. A portion of the borrowings under the New Jersey SRF is interest-free. Under the New Jersey SRF program, borrowers first enter into a construction loan agreement with the New Jersey Infrastructure Bank (NJIB) at a below market interest rate. The interest rate on the Company’s current construction loan borrowings is zero percent (0%). When construction on the qualifying project is substantially complete, NJIB will coordinate the conversion of the construction loan into a long-term securitized loan with a portion of the principal balance having a stated interest rate of zero percent (0%) and a portion of the principal balance at a market interest rate at the time of closing using the credit rating of the State of New Jersey. The term of the long-term loans currently offered through the NJIB is up to thirty years.

Middlesex currently has two projects that are in the construction loan phase of the New Jersey SRF program:

1) In April 2018, the NJBPU approved Middlesex’s request to participate in the NJIB loan program to fund the construction of a 4.5 mile large-diameter transmission pipeline from the Carl J. Olsen water treatment plant in Edison, New Jersey and interconnect with our distribution system. Middlesex closed on a $43.5 million NJIB interest-free construction loan in August 2018 and completed withdrawal of the proceeds in June 2021.

2) In March 2018, the NJBPU approved Middlesex’s request to participate in the NJIB loan program to fund the 2018 RENEW Program, which is an ongoing initiative to eliminate unlined water distribution mains in the Middlesex system. Middlesex closed on an $8.7 million NJIB construction loan in September 2018 and completed withdrawal of the proceeds in October 2019.

The Company anticipates that these two construction loans will be converted into long-term securitized loans by the NJIB during the fourth quarter of 2021.

In May 2020, Middlesex received approval from the NJBPU to borrow up to $100 million, in one or more private placement transactions through December 31, 2023 to help fund Middlesex’s multi-year capital construction program. In November 2020, Middlesex closed on a $40 million private placement loan with a payment maturity date of November 2050 and an interest rate of 2.90% by issuing First Mortgage Bonds (FMBs) designated as Series 2020A. Proceeds from this loan were used to reduce the Company’s existing short-term borrowings under its lines of credit and to fund the 2020 capital program.

As part of its ongoing comprehensive financing plan, Middlesex received approval from the NJBPU in February 2019 to issue and sell up to $140 million of FMBs through the New Jersey Economic Development Authority (NJEDA) in one or more transactions through December 31, 2022. Because the interest paid to the bondholders is exempt from federal and New Jersey income taxes, the interest rate on debt issued through the NJEDA is generally lower than otherwise achievable in the traditional taxable corporate bond market. However, the interest received by the bondholder is subject to the Alternative Minimum Tax.

In August 2019, Middlesex priced and closed on a NJEDA debt financing transaction of $53.7 million by issuing FMBs designated as Series 2019A ($32.5 million at coupon interest rate of 4.0%) and Series 2019B ($21.2 million at coupon interest rate of 5.0%). The proceeds, including an issuance premium of $7.1 million, were used to finance several projects under the Water For Tomorrow capital program initiated by the Company to upgrade and replace aging water utility infrastructure. The proceeds were initially recorded as Restricted Cash on the balance sheet and held in escrow by a bond trustee. Funds were drawn down by requisition for the qualifying projects as costs were incurred with the final requisition made in February 2021.

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 FMBs and SRF Bonds (collectively, the Bonds) issued by Middlesex is based on quoted market prices for similar publicly traded 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 notes payable and the Bonds in the table below are classified as Level 2 measurements. The carrying amount and fair value of the Bonds were as follows:

	(In Thousands)			
	June 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Bonds	$147,209	$157,436	$147,667	$159,195

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 rates and due dates on these series of long-term debt, please refer to those series noted as “Amortizing Secured Note”, “State Revolving Trust Note”, “State Revolving Trust Bond”, “Construction Loans” and “Series 2020A” on the Condensed Consolidated Statements of Capital Stock and Long-Term Debt). The carrying amount of these instruments was $129.3 million and $129.6 million at June 30, 2021 and December 31, 2020, respectively. Customer advances for construction have carrying amounts of $23.6 million and $23.4 million at June 30, 2021 and 2020, respectively. 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 the Convertible Preferred Stock $7.00 Series.

	(In Thousands Except per Share Amounts)			
	Three Months Ended June 30,			
	2021		2020	
Basic:	Income	Shares	Income	Shares
Net Income	$ 10,923	17,488	$ 9,713	17,462
Preferred Dividend	(30)		(30)	
Earnings Applicable to Common Stock	$ 10,893	17,488	$ 9,683	17,462
Basic EPS	$ 0.62		$ 0.55	
Diluted:				
Earnings Applicable to Common Stock	$ 10,893	17,488	$ 9,683	17,462
$7.00 Series Preferred Dividend	17	115	17	115
Adjusted Earnings Applicable to Common Stock	$ 10,910	17,603	$ 9,700	17,577
Diluted EPS	$ 0.62		$ 0.55	

	Six Months Ended June 30,			
	2021		2020	
Basic:	Income	Shares	Income	Shares
Net Income	$ 17,828	17,482	$ 17,381	17,449
Preferred Dividend	(60)		(60)	
Earnings Applicable to Common Stock	$ 17,768	17,482	$ 17,321	17,449
Basic EPS	$ 1.02		$ 0.99	
Diluted:				
Earnings Applicable to Common Stock	$ 17,768	17,482	$ 17,321	17,449
$7.00 Series Preferred Dividend	34	115	34	115
Adjusted Earnings Applicable to Common Stock	$ 17,802	17,597	$ 17,355	17,564
Diluted EPS	$ 1.01		$ 0.99	

Note 5 – Business Segment Data

The Company has identified two reportable segments. One is the regulated business of collecting, treating and distributing water on a retail and wholesale basis to residential, commercial, industrial and fire protection customers in parts of New Jersey and Delaware. 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 and Delaware 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.

Operations by Segments:	(In Thousands) Three Months Ended June 30, 2021	2020	Six Months Ended June 30, 2021	2020
Revenues:				
Regulated	$ 33,609	$ 32,289	$ 63,030	$ 61,226
Non – Regulated	3,405	3,180	6,662	6,141
Inter-segment Elimination	(313)	(192)	(450)	(321)
Consolidated Revenues	$ 36,701	$ 35,277	$ 69,242	$ 67,046
Operating Income:				
Regulated	$ 8,711	$ 8,639	$ 13,427	$ 14,480
Non – Regulated	1,103	746	2,021	1,432
Consolidated Operating Income	$ 9,814	$ 9,385	$ 15,448	$ 15,912
Net Income:				
Regulated	$ 10,108	$ 9,192	$ 16,347	$ 16,371
Non – Regulated	815	521	1,481	1,010
Consolidated Net Income	$ 10,923	$ 9,713	$ 17,828	$ 17,381
Capital Expenditures:				
Regulated	$ 24,391	$ 19,913	$ 46,354	$ 44,882
Non – Regulated	76	357	146	535
Total Capital Expenditures	$ 24,467	$ 20,270	$ 46,500	$ 45,417

	As of June 30, 2021	As of December 31, 2020
Assets:		
Regulated	$ 1,022,776	$ 998,932
Non – Regulated	8,459	8,289
Inter-segment Elimination	(16,260)	(30,751)
Consolidated Assets	$ 1,014,975	$ 976,470

Note 6 – Short-term Borrowings

The Company maintains lines of credit aggregating $110.0 million.

	(Millions) As of June 30, 2021 Outstanding	Available	Maximum	Credit Type	Renewal Date
Bank of America	$ -	$ 30.0	$ 30.0	Uncommitted	January 27, 2022
PNC Bank	21.0	47.0	68.0	Committed	January 31, 2023
CoBank	10.5	1.5	12.0	Committed	November 30, 2023
	$ 31.5	$ 78.5	$ 110.0		

The interest rate for borrowings under the lines of credit is set using the London InterBank Offered Rate (LIBOR) and adding a credit spread, which varies by financial institution. There is no requirement for a compensating balance under any of the established lines of credit. Each of the lines of credit includes a provision for a replacement benchmark for when LIBOR is fully phased-out and no longer available to set the interest rate on borrowings under these lines of credit.

The weighted average interest rate on the outstanding borrowings at June 30, 2021 under these credit lines is 1.11%.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Average Daily Amounts Outstanding	$ 19,665	$ 36,445	$ 13,843	$ 28,901
Weighted Average Interest Rates	1.18%	1.65%	1.16%	1.96%

The $31.5 million of loans under the lines of credit outstanding as of June 30, 2021 matured in July 2021 and were renewed and rolled over by the Company.

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 27.0 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 has an agreement with a non-affiliated regulated water utility for the purchase of treated water. This agreement, which expires February 27, 2026, provides for the minimum purchase of 3.0 mgd of treated water with provisions for additional purchases.

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

Purchased water costs are shown below:

	(In Thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Treated	$ 871	$ 932	$ 1,748	$ 1,725
Untreated	782	782	1,642	1,652
Total Costs	$ 1,653	$ 1,714	$ 3,390	$ 3,377

Guarantees - As part of an agreement with the County of Monmouth, New Jersey (County), prior to 2020 Middlesex had served as guarantor of the performance of an unaffiliated wastewater treatment contractor and partner (Contractor), to operate a County-owned leachate pretreatment facility.

In November 2019, Middlesex was notified that the County terminated its Agreement with the Contractor. The Contractor had initiated legal action against the County that, in part, contests the County's exercise of this termination. The County filed a counter-claim against the Contractor's parent company and has brought Middlesex into the suit as a third-party defendant. We continue to monitor this litigation. However, given the cancellation of the underlying operating contract by the County, the fact that the Company had not been requested by the County to perform under the guarantee and the continuation of the litigation, we do not anticipate the ultimate outcome will have a material impact on the Company's results of operations or financial condition.

Leases - The Company determines if an arrangement is a lease at inception. Generally, a lease agreement exists if the Company determines that the arrangement gives the Company control over the use of an identified asset and obtains substantially all of the benefits from the identified asset.

The Company has entered into an operating lease of office space for administrative purposes, expiring in 2030. The Company has not entered into any finance leases. The exercise of a lease renewal option for the Company's administrative offices is solely at the discretion of the Company.

The right-of-use (ROU) asset recorded represents the Company's right to use an underlying asset for the lease term and lease liability represents the Company's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company's operating lease does not provide an implicit discount rate and as such the Company used an estimated incremental borrowing rate (4.03%) based on the information available at commencement date in determining the present value of lease payments.

Given the impacts of accounting for regulated operations, and the resulting recognition of expense at the amounts recovered in customer rates, expenditures for operating leases are consistent with lease expense and were $0.2 million for each of the three months ended June 30, 2021 and 2020, respectively and $0.4 million for each of the six months ended June 30, 2021 and 2020, respectively.

Information related to operating lease ROU assets and lease liabilities is as follows:

	(In Millions)	
	As of June 30, 2021	As of December 31, 2020
ROU Asset at Lease Inception	$ 7.3	$ 7.3
Accumulated Amortization	(2.4)	(2.1)
Current ROU Asset	$ 4.9	$ 5.2

The Company's future minimum operating lease commitments as of June 30, 2021 are as follows:

	(In Millions)
2021	$ 0.4
2022	0.8
2023	0.8
2024	0.8
2025	0.8
Thereafter	3.7
Total Lease Payments	$ 7.3
Imputed Interest	(1.9)
Present Value of Lease Payments	5.4
Less Current Portion*	(0.7)
Non-Current Lease Liability	$ 4.7
*Included in Other Current Liabilities	

Construction - Forecasted spending for our construction program in 2021 has been reduced to $85 million due to schedule coordination with contractors and municipalities. The Company has entered into several construction contracts that, in the aggregate, obligate expenditure of an estimated $42 million in the future. The timing and amount of capital expenditures is dependent on project scheduling and refinement of engineering estimates for certain projects.

Contingencies - Based on our operations in the heavily-regulated water and wastewater industries, the Company is routinely involved in disputes, claims, lawsuits and other regulatory and legal matters, including responsibility for fines and penalties relative to regulatory compliance. At this time, Management does not believe the final resolution of any such matters, whether asserted or unasserted, will have a material adverse effect on the Company's financial position, results of operations or cash flows. In addition, the Company maintains business insurance coverage that may mitigate the effect of any current or future loss contingencies.

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 defined benefit pension plan (Pension Plan) participants include 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 for a potential annual contribution to the participants' accounts in an amount at the discretion of the Company. In order to be eligible for a contribution, the participant must be employed by the Company on December 31st of the year to which the contribution relates. For each of the three- and six-month periods ended June 30, 2021 and 2020, the Company did not make cash contributions to the Pension Plan. The Company expects to make cash contributions of approximately $3.4 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 $0.4 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 current retired employees. Employees hired after March 31, 2007 are not eligible to participate in this plan. Coverage includes supplemental healthcare benefits above amounts paid by Medicare and, life insurance. For the three- month and six-month periods ended June 30, 2021, the Company did not make Other Benefits Plan cash contributions. For each of the three-and six-month periods ended June 30, 2020, the Company made Other Benefits Plan cash contributions of $0.3 million, respectively. The Company expects to make additional Other Benefits Plan cash contributions of $0.8 million over the remainder of the current calendar 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 June 30,			
	2021	2020	2021	2020
Service Cost	$ 674	$ 609	$ 229	$ 248
Interest Cost	677	775	309	425
Expected Return on Assets	(1,556)	(1,409)	(786)	(721)
Amortization of Unrecognized Losses	717	515	132	338
Net Periodic Benefit Cost (Benefit)*	$ 512	$ 490	$ (116)	$ 290

	(In Thousands)			
	Pension Benefits		Other Benefits	
	Six Months Ended June 30,			
	2021	2020	2021	2020
Service Cost	$ 1,348	$ 1,217	$ 458	$ 497
Interest Cost	1,353	1,550	618	850
Expected Return on Assets	(3,114)	(2,818)	(1,571)	(1,442)
Amortization of Unrecognized Losses	1,434	1,030	264	676
Net Periodic Benefit Cost (Benefit)*	$ 1,021	$ 979	$ (231)	$ 581

*Service cost is included in Operations and Maintenance expense on the Condensed Consolidated Statements of Income; all other amounts are included in Other Income/Expense, net.

Note 9 – Revenue Recognition from Contracts with Customers

The Company’s revenues are primarily generated from regulated tariff-based sales of water and wastewater services and non-regulated operation and maintenance contracts for services on water and wastewater systems owned by others. Revenue from contracts with customers is recognized when control of a promised good or service is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company’s regulated revenue from contracts with customers is derived from tariff-based sales that result from the obligation to provide water and wastewater services to residential, industrial, commercial, fire-protection and wholesale customers. The Company’s residential customers are billed quarterly while most of the Company’s industrial, commercial, fire-protection and wholesale customers are billed monthly. Payments by customers are due between 15 and 30 days after the invoice date. The Company recognizes revenue as the water and wastewater services are delivered to customers, as well as records unbilled revenues estimated from the last meter reading date to the end of the accounting period utilizing factors such as historical customer data, regional weather indicators and general economic conditions in its service territories. Unearned Revenues and Advance Service Fees include fixed service charge billings in advance of service provided to Tidewater customers and are recognized as service is provided.

Non-regulated service contract revenues consist of base service fees, as well as fees for additional billable services provided to customers. Fees are billed monthly and are due within 30 days after the invoice date. The Company considers the amounts billed to represent the value of these services provided to customers. These contracts expire at various times through June 2030 and contain remaining performance obligations for which the Company expects to recognize revenue in the future. These contracts also contain termination provisions.

Almost all of the amounts included in operating revenues and accounts receivable are from contracts with customers. The Company records its allowance for doubtful accounts based on historical write-offs combined with an evaluation of current economic conditions within its service territories.

The Company’s contracts do not contain any significant financing components.

The Company's operating revenues are comprised of the following:

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Regulated Tariff Sales				
Residential	$ 20,238	$ 19,454	$ 37,195	$ 36,135
Commercial	4,108	3,649	7,684	7,018
Industrial	2,143	2,175	4,320	4,256
Fire Protection	3,161	3,060	6,265	6,106
Wholesale	3,718	3,827	7,256	7,525
Non-Regulated Contract Operations	3,298	3,076	6,449	5,934
Total Revenue from Contracts with Customers	$ 36,666	$ 35,241	$ 69,169	$ 66,974
Other Regulated Revenues	241	124	310	186
Other Non-Regulated Revenues	107	104	213	207
Inter-segment Elimination	(313)	(192)	(450)	(321)
Total Revenue	$ 36,701	$ 35,277	$ 69,242	$ 67,046

Note 10 – Income Taxes

The Company's federal income tax returns for the tax years 2014 through 2017 were selected for examination by the Internal Revenue Service (IRS), which included the tax year in which the Company had adopted the final IRS tangible property regulations and changed its accounting method for the tax treatment of expenditures that qualified as deductible repairs. As a result of the audit examination, the Company agreed to certain modifications of its accounting method for expenditures that qualify as deductible repairs. In 2019, the Company paid $2.7 million in income taxes and $0.1 million in interest in connection with the conclusion of the 2014 through 2017 federal income tax return audits. As of June 30, 2021, the Company's income tax reserve provision and interest expense liability are $0.5 million and $0.2 million, respectively.

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, 2020.

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. They include, but are not limited to statements as to:

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

- effects of general economic conditions;
- increases in competition for growth in non-franchised markets to be potentially served by the Company;
- ability of the Company to adequately control selected operating expenses which are necessary to maintain safe and proper utility services, and which may be beyond the Company's control;
- availability of adequate supplies of quality water;
- actions taken by government regulators, including decisions on rate increase requests;
- new or modified water quality standards and compliance with related legal and regulatory requirements;
- weather variations and other natural phenomena impacting utility operations;
- financial and operating risks associated with acquisitions and/or privatizations;
- acts of war or terrorism, including cyber threats;
- changes in the pace of new housing development;
- availability and cost of capital resources;
- impact of the Novel Coronavirus (COVID-19) pandemic; and
- other factors discussed elsewhere in this 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, 2020.

Overview

Middlesex has operated as a water utility in New Jersey since 1897 and in Delaware through our wholly-owned subsidiary, Tidewater Utilities, Inc. (Tidewater), since 1992. We are in the business of collecting, treating and distributing water for domestic, commercial, municipal, industrial and fire protection purposes. We also operate water and wastewater systems under contract for governmental entities and private entities primarily in New Jersey and Delaware and provide regulated wastewater services in New Jersey and Delaware through five 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 and Delaware. 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 61,000 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 over 0.2 million. 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 approximately 2,500 customers in Southampton Township, New Jersey.

Our Delaware subsidiaries, Tidewater and Southern Shores Water Company, LLC (Southern Shores), provide water services to approximately 53,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Tidewater's subsidiary, White Marsh, services approximately 1,900 customers in Delaware and Maryland through various operations and maintenance contracts.

Our Tidewater Environmental Services, Inc. (TESI) subsidiary provides wastewater services to approximately 4,000 residential retail customers in Sussex County, Delaware.

USA-PA operates the water and wastewater systems for the City of Perth Amboy, New Jersey (Perth Amboy) under a 10-year operations and maintenance contract expiring in 2028. Although USA-PA manages Perth Amboy's water and wastewater capital program, the funding of the capital program is the responsibility of Perth Amboy.

USA operates the Borough of Avalon, New Jersey's (Avalon) water utility, sewer utility and storm water system under a ten-year operations and maintenance contract expiring in 2022. In addition to performing day to day operations, USA is responsible for billing, collections, customer service, emergency responses and management of capital projects funded by Avalon. Beginning July 1, 2020, USA began operating the Borough of Highland Park, New Jersey's (Highland Park) water and wastewater systems under a 10-year operations and maintenance contract.

Under a marketing agreement with HomeServe USA (HomeServe), USA offers residential customers in New Jersey and Delaware a menu of water and wastewater related home maintenance programs. HomeServe is a leading national provider of such home maintenance service programs. USA receives a service fee for the billing, cash collection and other administrative matters associated with HomeServe's service contracts. USA also provides unregulated water and wastewater services under contract with several New Jersey municipalities.

Recent Developments

Middlesex Base Water Rate Increase Request - In May 2021, Middlesex filed a petition with the New Jersey Board of Public Utilities (NJBPU) seeking permission to increase annual base water revenues by approximately $31 million. The request was necessitated predominantly by capital infrastructure investments Middlesex has made, or has committed to make, to address aging drinking water infrastructure and a variety of other improvements to help ensure continued resiliency, reliability and overall quality of service since Middlesex's last base rate increase filing in New Jersey in 2017. We cannot predict when and whether the NJBPU will ultimately approve, deny, or reduce the amount of the request. Under New Jersey statute, the NJPBU must render a decision within nine months of filing a base rate change petition.

Loan Agreement - In March 2021, Tidewater entered into a $20 million loan agreement with CoBank, ACB (CoBank). Tidewater has yet to borrow from CoBank under this agreement and has the option to borrow in minimum increments of $0.1 million through September 29, 2021. The interest rate will be set on the date of the applicable borrowing and the term of any borrowing cannot exceed twenty-five years. Proceeds from the loan will first be used to pay off balances under the Company's lines of credit (see Note 6 – *Short Term Borrowings*), with remaining proceeds used to finance a portion of Tidewater's 2021 capital program.

Middlesex Financing Petition – In June 2021, Middlesex received approval from the NJBPU to redeem up to $45.5 million of outstanding first mortgage bonds and issue replacement first mortgage bonds at an overall lower cost of debt. Middlesex expects to complete the refinancing by December 31, 2021.

Capital Construction Program - The Company's multi-year capital construction program encompasses numerous projects designed to upgrade and replace utility infrastructure, as well as enhance the integrity and reliability of assets to better serve the current and future generations of water and wastewater customers. Forecasted spending for our construction program in 2021 has been reduced to $85 million due to schedule coordination with contractors and municipalities for projects that include, but are not limited to:

- Completion of construction of a facility to provide an enhanced treatment process at the Company's largest water treatment plant in Edison, New Jersey to mitigate the formation of disinfection by-products that can develop during the water treatment process, as well as other improvements;
- Construction of a facility to provide an enhanced treatment process at the Company's largest wellfield in South Plainfield, New Jersey to comply with new state water quality regulations relative to poly- and perfluoro-alkyl substances, collectively referred to as PFAS, and integrate surge protection to mitigate spikes in water pressures along with enhancements to corrosion control and chlorination processes;
- Renovations and related construction at our 37-year old Middlesex Operations facility in New Jersey, including more efficient work space to meet the evolved needs of the business, enhancements to information technology infrastructure, improved energy efficiency and regulatory requirements;
- Replacement of approximately four miles of water mains including service lines, valves, fire hydrants and meters in Metuchen, New Jersey; and
- Construction of a new expandable wastewater treatment plant with enhanced processes to meet changing regulatory requirements to serve our customer base in the Town of Milton, Delaware.

The actual amount and timing of capital expenditures is dependent on project scheduling and refinement of engineering estimates for certain capital projects.

COVID-19 – In March 2020, the United States declared the COVID-19 pandemic a national emergency, which was extended on February 24, 2021, and remains in effect. While the Company's operations and capital construction program have not been disrupted to date from the pandemic, the COVID-19 impact on economic conditions nationally continues to be uncertain and could affect the Company's results of operations, financial condition and liquidity in the future. In New Jersey and Delaware, where our operations are located, the declared COVID-19 State of Emergency Orders ended in June 2021 and July 2021, respectively.

The NJBPU and the Delaware Public Service Commission have approved the tracking of COVID-19 related incremental costs for potential recovery in customer rates in future rate proceedings. Neither jurisdiction has established a timetable or definitive formal procedures for seeking cost recovery. Since March 2020, the Company has increased its allowance for doubtful accounts for expected increases in accounts receivable write-offs due to the financial impact of COVID-19 on customers. We will continue to monitor the effects of COVID-19 and evaluate its impact on the Company's business, results of operations, financial condition and liquidity.

Outlook

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 discussed in the Results of Operations section below. Weather pattern changes, which can result in lower customer demand for water, may occur in 2021. Changes in customer water usage habits, as well as increases in capital expenditures and operating costs, are significant factors in determining the timing and extent of rate increase requests (see discussion of the 2021 Middlesex base water rate increase request above under "*Recent Developments*").

A non-controllable factor that may affect our outlook in 2021 is the pace at which remediation of the COVID-19 pandemic continues to occur, and the related impact on the regional and national economic recoveries. In addition, the New Jersey moratorium on customer service terminations effectively ends December 31, 2021. For further discussion of the impact of COVID-19 on the Company, see *Recent Developments*, *COVID-19* above.

Organic residential customer growth for our Tidewater system is expected to continue at the 5% pace achieved in 2020, delaying any foreseeable need to seek an increase in customer base rates in 2021.

Our strategy for profitable growth is focused on the following key areas:

- Invest in projects, products and services that complement our core water and wastewater competencies;
- Timely and adequate recovery of infrastructure investments and other costs to maintain service quality;
- Prudent acquisitions of investor and municipally-owned water and wastewater utilities; and
- Operation of municipal and industrial water and wastewater systems on a contract basis which meet our risk profile.

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 operations of the Regulated segment are subject to regulations promulgated by state public utility commissions as to rates and level of service. Rates and level of service in the Non-Regulated segment are subject to the terms of individually-negotiated and executed contracts with municipal, industrial and other clients. Both segments are subject to federal and state environmental, water and wastewater quality and other associated legal and regulatory requirements.

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

Results of Operations – Three Months Ended June 30, 2021

	(In Thousands) Three Months Ended June 30,					
	2021			2020		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	$ 33,403	$ 3,298	$ 36,701	$ 32,201	$ 3,076	$ 35,277
Operations and maintenance expenses	15,876	2,083	17,959	15,397	2,223	17,620
Depreciation expense	5,134	53	5,187	4,578	51	4,629
Other taxes	3,682	59	3,741	3,587	56	3,643
Operating income	8,711	1,103	9,814	8,639	746	9,385
Other income, net	1,490	68	1,558	1,107	22	1,129
Interest expense	2,070	-	2,070	1,941	5	1,946
Income taxes	(1,977)	356	(1,621)	(1,387)	242	(1,145)
Net income	$ 10,108	$ 815	$ 10,923	$ 9,192	$ 521	$ 9,713

Operating Revenues

Operating revenues for the three months ended June 30, 2021 increased $1.4 million from the same period in 2020 due to the following factors:

- Middlesex System revenues increased $0.2 million due to increased demand from general meter service customers;
- Tidewater System revenues increased $1.0 million due primarily to additional customers; and
- Non-regulated revenues increased $0.2 million primarily due to USA’s contract to operate and maintain Highland Park’s water and wastewater systems, which commenced July 1, 2020.

Operation and Maintenance Expense

Operation and maintenance expenses for the three months ended June 30, 2021 increased $0.3 million from the same period in 2020 due to higher water main break activity in our Middlesex system.

Depreciation

Depreciation expense for the three months ended June 30, 2021 increased $0.6 million from the same period in 2020 due to a higher level of utility plant in service.

Other Taxes

Other taxes for the three months ended June 30, 2021 increased $0.1 million from the same period in 2020 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 June 30, 2021 increased $0.4 million from the same period in 2020 due to lower actuarially-determined retirement benefit plans non-service expense.

Interest Charges

Interest charges for the three months ended June 30, 2021 increased $0.1 million from the same period in 2020 due to higher average short-term and long-term debt outstanding in 2021 as compared to 2020 partially offset by lower average interest rates.

Income Taxes

The benefit from income taxes for the three months ended June 30, 2021 increased by $0.5 million from the same period in 2020, primarily due to higher tax benefits associated with increased repair expenditures on tangible property owned by Middlesex.

Net Income and Earnings Per Share

Net income for the three months ended June 30, 2021 increased $1.2 million as compared with the same period in 2020. Basic and diluted earnings per share were $0.62 and $0.55 for the three months ended June 30, 2021 and 2020, respectively.

Results of Operations – Six Months Ended June 30, 2021

	(In Thousands) Six Months Ended June 30,					
	2021			2020		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	$ 62,794	$ 6,448	$ 69,242	$ 61,112	$ 5,934	$ 67,046
Operations and maintenance expenses	32,125	4,190	36,315	30,540	4,272	34,812
Depreciation expense	9,909	110	10,019	8,978	99	9,077
Other taxes	7,333	127	7,460	7,114	131	7,245
Operating income	13,427	2,021	15,448	14,480	1,432	15,912
Other income, net	3,469	126	3,595	2,579	58	2,637
Interest expense	3,808	-	3,808	3,609	6	3,615
Income taxes	(3,259)	666	(2,593)	(2,921)	474	(2,447)
Net income	$ 16,347	$ 1,481	$ 17,828	$ 16,371	$ 1,010	$ 17,381

Operating Revenues

Operating revenues for the six months ended June 30, 2021 increased $2.2 million from the same period in 2020 due to the following factors:

- Middlesex System revenues increased $0.5 million due to increased demand from customers;
- Tidewater System revenues increased $2.1 million due to additional customers and higher consumption, partially offset by $1.0 million due to the Distribution System Improvement Charge revenue refund (for further information, see *Note 2*, *Rate and Regulatory Matters*, *Tidewater)*;
- Non-regulated revenues increased $0.5 million due to USA's contract to operate and maintain Highland Park's water and wastewater systems, which commenced July 1, 2020; and
- All other revenue categories increased $0.1 million.

Operation and Maintenance Expense

Operation and maintenance expenses for the six months ended June 30, 2021 increased $1.5 million from the same period in 2020 due to the following factors:

- Higher weather-related water main break activity in our Middlesex system during the winter months resulted in $0.6 million of additional non-labor costs;
- Labor costs increased $0.4 million due to wage increases;
- Increased business insurance premiums resulted in $0.2 million of additional costs;
- Transportation expenses increased $0.1 million due to increased fuel prices; and
- All other operation and maintenance expense categories increased $0.2 million.

Depreciation

Depreciation expense for the six months ended June 30, 2021 increased $0.9 million from the same period in 2020 due to a higher level of utility plant in service.

Other Taxes

Other taxes for the six months ended June 30, 2021 increased $0.2 million from the same period in 2020 primarily due to higher revenue related taxes on increased revenues in our Middlesex system.

Other Income, net

Other Income, net for the six months ended June 30, 2021 increased $1.0 million from the same period in 2020 primarily due to higher Allowance for Funds Used During Construction resulting from a higher level of capital projects in progress and lower actuarially-determined retirement benefit plans non-service expense.

Interest Charges

Interest charges for the six months ended June 30, 2021 increased $0.2 million from the same period in 2020 due to higher long-term debt outstanding in 2021 as compared to 2020 partially offset by lower average interest rates on short term borrowings year-over-year.

Income Taxes

The benefit from income taxes for the six months ended June 30, 2021 increased by $0.1 million from the same period in 2020, primarily due to higher tax benefits associated with increased repair expenditures on tangible property owned by Middlesex, partially offset by higher pre-tax income.

Net Income and Earnings Per Share

Net income for the six months ended June 30, 2021 increased $0.4 million as compared with the same period in 2020. Basic earnings per share were $1.02 and $0.99 for the six months ended June 30, 2021 and 2020, respectively. Diluted earnings per share were $1.01 and $0.99 for the six months ended June 30, 2021 and 2020, 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 six months ended June 30, 2021, cash flows from operating activities decreased $6.2 million to $14.6 million. The decrease in cash flows from operating activities primarily resulted from the timing of payments to vendors and increased income tax payments.

Investing Cash Flows

For the six months ended June 30, 2021, cash flows used in investing activities increased $1.1 million to $46.5 million. The increase in cash flows used in investing activities resulted from increased utility plant expenditures.

For further discussion on the Company’s future capital expenditures and expected funding sources, see “*Capital Expenditures and Commitments*” below.

Financing Cash Flows

For the six months ended June 30, 2021, cash flows from financing activities increased $7.4 million to $27.7 million. The increase in cash flows provided by financing activities is due to an increase in short-term bank borrowings and higher net construction advances and contributions offset by lower proceeds from the issuance of long-term debt.

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 the Middlesex Water Company Investment Plan (Investment Plan) 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.

Forecasted spending for our construction program in 2021 has been reduced to $85 million due to schedule coordination with contractors and municipalities. Through June 30, 2021, we have expended $47 million and expect to incur approximately $38 million for capital projects for the remainder of 2021.

We currently project that we may expend approximately $190 million for capital projects in 2022 and 2023. The actual amount and timing of capital expenditures is dependent on project scheduling and refinement of engineering estimates for certain capital projects.

To pay for our capital program for the remainder of 2021, we plan on utilizing some or all of the following:

- Internally generated funds;
- Short-term borrowings, as needed, through $110 million of lines of credit established with three financial institutions. As of June 30, 2021, there was $78.5 million of available credit under these lines (for further discussion on Company lines of credit, see *Note 6 – Short Term Borrowings*);
- Proceeds from the Delaware State Revolving Fund (SRF). SRF programs provide low cost financing for projects that meet certain water quality-related and system improvement criteria;
- Proceeds from Tidewater’s $20 million CoBank loan (see *Recent Developments, Loan Agreement* above)
- Proceeds from the sale and issuance of First Mortgage Bonds in private placement offerings and/or through the New Jersey Economic Development Authority; and
- Proceeds from the Middlesex Water Company Investment Plan.

In order to fully fund the ongoing large investment program in our utility plant infrastructure and maintain a balanced capital structure for a regulated water utility, Middlesex may offer for sale additional shares of its common stock. The amount, the timing and the sales method of issuing any common stock is dependent on the timing of the construction expenditures, the level of additional debt financing and financial market conditions. As previously approved by the NJBPU in 2019, the Company is authorized to issue and sell up to 0.7 million shares of its common stock in one or more transactions through December 31, 2022.

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

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 2021 to 2059. Over the next twelve months, approximately $7.2 million of the current portion of 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 price increases for chemicals, electricity and other commodities are reduced through contractual arrangements and the ability to recover price increases through rates charged to the Company’s regulated utility customers. 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 in our non-regulated businesses and the loss that may be incurred due to the non-payment of customer accounts receivable balances in our regulated utility businesses. 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 customers’ rates.

The Company's retirement benefit plan assets are subject to fluctuating market prices of debt and equity securities. Changes to the Company's retirement benefit plan asset values can impact the Company's retirement benefit plan expense, funded status and future minimum funding requirements. Risk is mitigated by our ability to recover retirement benefit plan costs through rates for regulated utility services charged to our customers.

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, 2020.

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

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
104	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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
Senior Vice President, Treasurer and
Chief Financial Officer
(Principal Accounting Officer)

Date: July 30, 2021

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 the 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: July 30, 2021

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 the 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: July 30, 2021

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: July 30, 2021

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: July 30, 2021

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.