SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For Quarter Ended: March 31, 2004	Commission File No. 0-422

MIDDLESEX WATER COMPANY
(Exact name of registrant as specified in its charter)

INCORPORATED IN NEW JERSEY (State or other jurisdiction of incorporation or organization)	22-1114430 (I.R.S. Employer Identification No.)
1500 RONSON ROAD, ISELIN, NJ (Address of principal executive offices)	08830 (Zip Code)

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

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

YES |X|. NO |_|.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12-2 of the Securities Exchange Act of 1934). Yes |X| No |_|

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

Class	Outstanding at May 7, 2004
Common Stock, No Par Value	10,594,587

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MIDDLESEX WATER COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003	Twelve Months Ended March 31, 2004	Twelve Months Ended March 31, 2003
Operating Revenues	$ 15,875,733	$ 14,981,373	$ 65,005,574	$ 62,684,756
Operating Expenses:				
Operations	8,904,091	7,811,629	33,758,561	30,516,982
Maintenance	862,508	975,854	3,415,767	3,165,499
Depreciation	1,436,230	1,280,180	5,518,777	4,947,730
Other Taxes	1,945,194	1,908,128	7,852,984	7,797,617
Income Taxes	507,359	629,733	3,114,844	3,926,129
Total Operating Expenses	13,655,382	12,605,524	53,660,933	50,353,957
Operating Income	2,220,351	2,375,849	11,344,641	12,330,799
Other Income (Expense):				
Allowance for Funds Used During Construction	49,561	92,606	272,874	291,991
Other Income	19,806	19,944	131,361	225,661
Other Expense	(3,236)	(19,170)	(73,997)	(80,590)
Total Other Income	66,131	93,380	330,238	437,062
Interest Charges	1,252,842	1,244,348	5,235,524	5,054,333
Net Income	1,033,640	1,224,881	6,439,355	7,713,528
Preferred Stock Dividend Requirements	63,697	63,697	254,786	254,786
Earnings Applicable to Common Stock	$ 969,943	$ 1,161,184	$ 6,184,569	$ 7,458,742
Earnings per share of Common Stock:				
Basic	$ 0.09	$ 0.11	$ 0.59	$ 0.72
Diluted	$ 0.09	$ 0.11	$ 0.59	$ 0.72
Average Number of Common Shares Outstanding :				
Basic	10,579,095	10,378,502	10,524,905	10,327,655
Diluted	10,922,235	10,721,642	10,868,045	10,670,795
Cash Dividends Paid per Common Share	$ 0.165	$ 0.161	$ 0.653	$ 0.638

See Notes to Condensed Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS		March 31, 2004	December 31, 2003
UTILITY PLANT:	Water Production	$ 78,086,493	$ 77,265,782
	Transmission and Distribution	175,354,007	174,455,437
	General	19,772,623	19,776,293
	Construction Work in Progress	3,792,558	2,798,070
	TOTAL	277,005,681	274,295,582
	Less Accumulated Depreciation	48,598,619	47,510,797
	UTILITY PLANT - NET	228,407,062	226,784,785
	NONUTILITY ASSETS - NET	4,259,946	4,147,685
CURRENT ASSETS:	Cash and Cash Equivalents	3,296,224	3,005,610
	Accounts Receivable	5,883,980	5,682,608
	Unbilled Revenues	3,253,151	3,234,788
	Materials and Supplies (at average cost)	1,647,585	1,419,142
	Prepayments	848,095	1,009,304
	TOTAL CURRENT ASSETS	14,929,035	14,351,452
DEFERRED CHARGES AND OTHER ASSETS:	Unamortized Debt Expense	3,249,171	3,272,783
	Preliminary Survey and Investigation Charges	1,474,941	1,380,771
	Regulatory Assets	8,344,778	8,216,117
	Operations Contracts Fees Receivable	699,806	699,806
	Restricted Cash	3,526,042	3,825,420
	Other	517,243	513,116
	TOTAL DEFERRED CHARGES AND OTHER ASSETS	17,811,981	17,908,013
	TOTAL ASSETS	$ 265,408,024	$ 263,191,935

CAPITALIZATION AND LIABILITIES		March 31, 2004	December 31, 2003
CAPITALIZATION:	Common Stock, No Par Value	$ 57,431,181	$ 56,924,028
	Retained Earnings	21,689,030	22,668,348
	Accumulated Other Comprehensive Income, net of tax	50,808	50,808
	TOTAL COMMON EQUITY	79,171,019	79,643,184
	Preferred Stock	4,063,062	4,063,062
	Long-term Debt	98,251,018	97,376,847
	TOTAL CAPITALIZATION	181,485,099	181,083,093
CURRENT LIABILITIES:	Current Portion of Long-term Debt	1,065,629	1,067,258
	Notes Payable	13,475,000	12,500,000
	Accounts Payable	4,170,501	4,777,400
	Taxes Accrued	8,155,934	6,258,739
	Interest Accrued	719,630	1,810,639
	Unearned Revenues and Advanced Service Fees	862,858	602,854
	Other	760,566	678,596
	TOTAL CURRENT LIABILITIES	29,210,118	27,695,486
COMMITMENTS AND CONTINGENT LIABILITIES (Note 5)			
DEFERRED CREDITS:	Customer Advances for Construction	11,414,908	11,711,846
	Accumulated Deferred Investment Tax Credits	1,755,528	1,775,183
	Accumulated Deferred Income Taxes	14,271,235	14,125,970
	Employee Benefit Plans	5,298,433	5,086,988
	Regulatory Liability - Cost of Utility Plant Removal	4,958,761	4,830,308
	Other	927,330	909,498
	TOTAL DEFERRED CREDITS	38,626,195	38,439,793
CONTRIBUTIONS IN AID OF CONSTRUCTION		16,086,612	15,973,563
	TOTAL CAPITALIZATION AND LIABILITIES	$ 265,408,024	$ 263,191,935

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003	Twelve Months Ended March 31, 2004	Twelve Months Ended March 31, 2003
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	$ 1,033,640	$ 1,224,881	$ 6,439,355	$ 7,713,528
Adjustments to Reconcile Net Income to				
Net Cash Provided by Operating Activities:				
Depreciation and Amortization	1,499,191	1,391,893	5,741,161	5,436,266
Provision for Deferred Income Taxes	(58,444)	39,393	209,082	236,341
Allowance for Funds Used During Construction	(49,561)	(92,606)	(272,874)	(291,991)
Changes in Assets and Liabilities:				
Accounts Receivable	(201,372)	469,029	(324,707)	(133,630)
Unbilled Revenues	(18,363)	40,543	(112,603)	(163,881)
Materials & Supplies	(228,443)	(70,697)	(386,551)	(147,478)
Prepayments	161,209	201,322	(234,025)	81,890
Other Assets	30,126	44,136	261,792	(117,289)
Operations Contracts Receivable	--	--	(699,806)	--
Accounts Payable	(606,899)	393,845	1,259,687	179,981
Accrued Taxes	1,897,195	1,965,957	265,053	(510,253)
Accrued Interest	(1,091,009)	(423,475)	(471,173)	340,606
Employee Benefit Plans	211,445	233,827	(215,131)	99,015
Unearned Revenue & Advanced Service Fees	260,004	(98,441)	544,710	(38,021)
Other Liabilities	99,805	(114,830)	(21,796)	(1,520,489)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,938,524	5,204,777	11,982,174	11,164,595
CASH FLOWS FROM INVESTING ACTIVITIES:				
Utility Plant Expenditures*	(2,935,590)	(3,797,087)	(18,712,708)	(16,482,195)
Cash Surrender Value & Other Investments	(57,864)	--	(524,154)	(4,438)
Restricted Cash	299,378	750,349	1,870,187	2,415,247
Investment in Associated Companies	--	3,716	(3,716)	(16,902)
Proceeds from Real Estate Dispositions	--	--	532,922	--
Preliminary Survey & Investigation Charges	(94,170)	(299,203)	(77,270)	(486,948)
Other Assets	--	(225,540)	178,276	709,688
NET CASH USED IN INVESTING ACTIVITIES	(2,788,246)	(3,567,765)	(16,736,463)	(13,865,548)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Redemption of Long-term Debt	(212,204)	(108,901)	(987,730)	(490,436)
Proceeds from Issuance of Long-term Debt	1,084,746	124,931	12,165,538	192,281
Net Short-term Bank Borrowings/(Repayments)	975,000	825,000	(5,000,000)	6,850,000
Deferred Debt Issuance Expenses	(17,512)	(35,442)	(176,554)	54,041
Common Stock Issuance Expense	(204,286)	--	(307,570)	(3,688)
Restricted Cash	--	144	(23)	219,732
Proceeds from Issuance of Common Stock	507,153	970,100	3,146,912	3,414,955
Payment of Common Dividends	(1,744,975)	(1,670,677)	(6,865,552)	(6,578,771)
Payment of Preferred Dividends	(63,697)	(63,697)	(254,786)	(254,786)
Construction Advances and Contributions-Net	(183,889)	307,604	1,406,310	1,131,499
NET CASH PROVIDED BY FINANCING ACTIVITIES	140,336	349,062	3,126,545	4,534,827
NET CHANGES IN CASH AND CASH EQUIVALENTS	290,614	1,986,074	(1,627,744)	1,833,874
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,005,610	2,937,894	4,923,968	3,090,094
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 3,296,224	$ 4,923,968	$ 3,296,224	$ 4,923,968

*Excludes Allowance for Funds Used During Construction.

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:				
Cash Paid During the Year for:				
Cash Paid for Interest	$ 2,453,181	$ 1,670,774	$ 5,844,285	$ 4,486,546
Interest Capitalized	$ (49,561)	$ (92,606)	$ (272,874)	$ (291,991)
Income Taxes	$ 112,000	$ --	$ 2,584,000	$ 4,177,000

See Notes to Condensed Consolidated Financial Statements.

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

	March 31, 2004	December 31, 2003
Common Stock, No Par Value		
Shares Authorized - 20,000,000		
Shares Outstanding - 2004 - 10,588,947	$ 57,431,181	$ 56,924,028
2003 - 10,566,937		
Retained Earnings	21,689,030	22,668,348
Accumulated Other Comprehensive Income, net of tax	50,808	50,808
TOTAL COMMON EQUITY	79,171,019	79,643,184
Cumulative Preference Stock, No Par Value:		
Shares Authorized - 100,000		
Shares Outstanding - None		
Cumulative Preferred Stock, No Par Value		
Shares Authorized - 140,497		
Convertible:		
Shares Outstanding, $7.00 Series - 14,881	1,562,505	1,562,505
Shares Outstanding, $8.00 Series - 12,000	1,398,857	1,398,857
Nonredeemable:		
Shares Outstanding, $7.00 Series - 1,017	101,700	101,700
Shares Outstanding, $4.75 Series - 10,000	1,000,000	1,000,000
TOTAL PREFERRED STOCK	4,063,062	4,063,062
Long-term Debt		
8.05%, Amortizing Secured Note, due December 20, 2021	3,118,856	3,136,531
6.25%, Amortizing Secured Note, due May 22, 2028	10,150,000	10,255,000
4.22%, State Revolving Trust Note, due December 31, 2022	364,607	192,281
3.60%, State Revolving Trust Note, due May 1, 2025	1,493,212	580,792
4.00%, State Revolving Trust Bond, due September 1, 2021	820,000	820,000
0.00%, State Revolving Fund Bond, due September 1, 2021	679,778	690,833
First Mortgage Bonds:		
5.20%, Series S, due October 1, 2022	12,000,000	12,000,000
5.25%, Series T, due October 1, 2023	6,500,000	6,500,000
6.40%, Series U, due February 1, 2009	15,000,000	15,000,000
5.25%, Series V, due February 1, 2029	10,000,000	10,000,000
5.35%, Series W, due February 1, 2038	23,000,000	23,000,000
0.00%, Series X, due September 1, 2018	794,923	807,956
4.25%, Series Y, due September 1, 2018	965,000	965,000
0.00%, Series Z, due September 1, 2019	1,726,994	1,792,435
5.25%, Series AA, due September 1, 2019	2,175,000	2,175,000
0.00%, Series BB, due September 1, 2021	2,168,277	2,168,277
4.00%, Series CC, due September 1, 2021	2,360,000	2,360,000
5.10%, Series DD, due January 1, 2032	6,000,000	6,000,000
SUBTOTAL LONG-TERM DEBT	99,316,647	98,444,105
Less: Current Portion of Long-term Debt	(1,065,629)	(1,067,258)
TOTAL LONG-TERM DEBT	$ 98,251,018	$ 97,376,847

See Notes to Condensed Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2004	2003	2004	2003
Net Income	$1,033,640	$1,224,881	$6,439,355	$7,713,528
Other Comprehensive Income:				
Change in Value of Equity Investments, Net of Income Tax	--	--	50,808	--
Other Comprehensive Income	--	--	50,808	--
Comprehensive Income	$1,033,640	$1,224,881	$6,490,163	$7,713,528

See Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Organization - Middlesex Water Company (Middlesex) is the parent company and sole shareholder of Tidewater Utilities, Inc. (Tidewater), Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc. (USA), Utility Service Affiliates (Perth Amboy) Inc. (USA-PA) and Bayview Water Company. Southern Shores Water Company, LLC and White Marsh Environmental Systems, Inc. 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 2003 Form 10-K/A-2 are applicable to these financial statements and, in the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2004 and the results of operations and its cash flows for the three and twelve month periods ended March 31, 2004 and 2003. Information included in the Balance Sheet at December 31, 2003, has been derived from the Company's audited financial statements for the year ended December 31, 2003. Certain reclassifications of prior period data have been made to conform with current presentation.

Recent Accounting Pronouncements - In March 2004, the Financial Accounting Standards Board (FASB) issued, as a proposal, FASB Staff Position (FSP) 106-b "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." When issued in final, this guidance will supersede FSP 106-1 issued in 2003 and will clarify the accounting and disclosure requirements for employers with postretirement benefit plans that have been or will be affected by the passage of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act). The Act introduces two new features to Medicare that an employer needs to consider in measuring its obligation and net periodic postretirement benefit costs. The effective date for the new requirements is the first interim or annual period beginning after June 15, 2004.

Middlesex's retirees health benefit plan currently includes a prescription drug benefit that is provided to retired employees. It is anticipated that implementation of the new requirements will have a positive impact on the Company's results of operations and cash flows, although the magnitude of the impact cannot be determined with any degree of certainty at this time.

Rate Matters - Tidewater filed for a 24% base rate increase with the Delaware Public Service Commission (PSC) on April 26, 2004. In the rate application, Tidewater has projected that its net investment in rate base since April 30, 2002 through September 30, 2004 will grow by $24.0 million to $47.9 million. These expenditures are necessary to keep pace with double digit growth in customer base, improvements to water treatment, fire protection and to interconnect systems for service reliability and back-up. Tidewater has requested that the new rates be implemented in phases, with the initial 13% interim rate increase effective in late June 2004. The remainder would be split and phased-in over two subsequent six-month periods. We cannot predict whether the PSC will approve, deny or reduce the amount of our requests.

Stock Based Compensation - As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," (SFAS No. 123) the Company elected to account for its stock-based compensation under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Had compensation costs for the

Company's restricted stock plan been determined based on the methodology prescribed in SFAS No. 123, there would have been no effect on its results of operations or cash flows.

Note 2 - Capitalization

Common Stock - We filed with the United States Securities and Exchange Commission a registration statement on Form S-3 covering the offering of 700,000 shares of our common stock. The common stock offering was priced at $19.80 and sold on May 6, 2004. We will use the net proceeds to repay most of our outstanding short-term borrowings once the sale is closed, which is expected to be on May 12, 2004. During the three months ended March 31, 2004, there were 22,010 common shares ($0.5 million) issued under the Company's Dividend Reinvestment and Common Stock Purchase Plan.

Long-term Debt - On March 24, 2004, Tidewater received approval from the PSC to borrow $0.8 million to fund a portion of its multi-year capital program. Subsequent to the PSC approval, Tidewater closed on a Delaware State Revolving Fund (SRF) loan of $0.8 million. The Delaware SRF program will allow, but does not obligate, Tidewater to draw down against a General Obligation Note for three specific projects. Tidewater will be charged an annual fee, which is a combination of interest charges and administrative fees, of 3.30% on the outstanding principal amount. All unpaid principal and fees must be paid on or before March 1, 2026.

Note 3 - Earnings Per Share

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

(In Thousands Except for per Share Amounts)

	Three Months Ended March 31				Twelve Months Ended March 31			
	2004		2003		2004		2003	
Basic:	Income	Shares	Income	Shares	Income	Shares	Income	Shares
Net Income	$ 1,034	10,579	$ 1,225	10,379	$ 6,440	10,525	$ 7,714	10,328
Preferred Dividend	(64)		(64)		(255)		(255)	
Earnings Applicable to Common Stock	$ 970	10,579	$ 1,161	10,379	$ 6,185	10,525	$ 7,459	10,328
Basic EPS	$ 0.09		$ 0.11		$ 0.59		$ 0.72	
Diluted:								
Earnings Applicable to Common Stock	$ 970	10,579	$ 1,161	10,379	$ 6,185	10,525	$ 7,459	10,328
$7.00 Series Dividend	26	179	26	179	104	179	104	179
$8.00 Series Dividend	24	164	24	164	96	164	96	164
Adjusted Earnings Applicable to Common Stock	$ 1,020	10,922	$ 1,211	10,722	$ 6,385	10,868	$ 7,659	10,671
Diluted EPS	$ 0.09		$ 0.11		$ 0.59		$ 0.72	

Note 4 - Business Segment Data

The Company has identified two reportable segments. One is the regulated business of collecting, treating and distributing water on a retail and wholesale basis to residential, commercial, industrial and fire protection customers in parts of New Jersey and Delaware. It also operates a regulated wastewater system in New Jersey. The Company is subject to regulations as to its rates, services and other matters by the States of New Jersey and Delaware with respect to utility service within these States. The other segment is primarily for the non-regulated contract services for the operation and maintenance of municipal and private water and wastewater systems in New Jersey and Delaware. Also included in this segment are miscellaneous services for service line maintenance programs and meter replacement projects. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in the consolidated notes to the financial statements included in the Form 10-K/A-2. 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.

	(Thousands of Dollars)			
	Three Months Ended March 31,		Twelve Months Ended March 31,	
Operations by Segments:	2004	2003	2004	2003
Revenues:				
Regulated	$ 13,391	$ 12,949	$ 56,149	$ 54,820
Non - Regulated	2,515	2,044	8,971	7,909
Inter-segment Elimination	(30)	(12)	(114)	(44)
Consolidated Revenues	$ 15,876	$ 14,981	$ 65,006	$ 62,685
Operating Income:				
Regulated	$ 2,073	$ 2,273	$ 10,815	$ 11,849
Non - Regulated	147	103	530	482
Consolidated Operating Income	$ 2,220	$ 2,376	$ 11,345	$ 12,331
Depreciation:				
Regulated	$ 1,417	$ 1,270	$ 5,455	$ 4,908
Non - Regulated	19	10	64	40
Consolidated Depreciation	$ 1,436	$ 1,280	$ 5,519	$ 4,948
Other Income:				
Regulated	$ 525	$ 610	$ 2,841	$ 2,964
Non - Regulated	--	--	(32)	(12)
Inter-segment Elimination	(459)	(517)	(2,479)	(2,515)
Consolidated Other Income	$ 66	$ 93	$ 330	$ 437
Interest Expense:				
Regulated	$ 1,412	$ 1,550	$ 6,071	$ 6,252
Non - Regulated	37	15	138	56
Inter-segment Elimination	(196)	(321)	(973)	(1,254)
Consolidated Interest Expense	$ 1,253	$ 1,244	$ 5,236	$ 5,054
Net Income:				
Regulated	$ 925	$ 1,137	$ 6,079	$ 7,298
Non - Regulated	109	88	360	416
Consolidated Net Income	$ 1,034	$ 1,225	$ 6,439	$ 7,714
Capital Expenditures:				
Regulated	$ 2,862	$ 3,471	$ 18,393	$ 15,771
Non - Regulated	74	326	320	711
Total Capital Expenditures	$ 2,936	$ 3,797	$ 18,713	$ 16,482

	As of March 31, 2004	As of December 31, 2003
Assets:		
Regulated	$ 261,402	$ 259,689
Non - Regulated	5,792	5,223
Inter-segment Elimination	(1,786)	(1,720)
Consolidated Assets	$ 265,408	$ 263,192

Note 5 - Commitments and Contingent Liabilities

A lawsuit was filed in 1998 against the Company for damages involving the break of both a Company water line and an underground electric power cable containing both electric lines and petroleum based insulating fluid. The electric utility also asserted claims against the Company. The lawsuit was settled in 2003 by agreement to submit plaintiff's claim for approximately $1.1 million damages to binding arbitration, in which the agreed maximum exposure of the Company is $0.3 million. While we are unable to predict the outcome of the arbitration, we believe that we have substantial defenses. We have not recorded any liability for the claim.

Another claim is pending involving a construction subcontractor, the Company's general contractor and the Company concerning a major construction project. The dispute relates to work required to be performed under a construction contract and related subcontracts and includes payment issues and timing/delay issues. The matter was instituted in 2001 and is pending in Superior Court, Middlesex County, New Jersey. We have estimated our maximum exposure in this litigation to be $4.3 million. We believe that we have substantial defenses to a number of the asserted claims. It is reasonably possible that we may be responsible for some portion of the amount claimed, but significantly less than the maximum. We are unable, however, to determine this amount. Any amount in this matter, which is determined to be due from us, will be recorded as an addition to utility plant in service, subject to recovery in rates charged to our customers. However, the outcome could have a material adverse effect on the Company's financial statements.

Note 6 - Employee Retirement Benefit Plans

Pension - The Company has a noncontributory defined benefit pension plan, which covers substantially all employees with more than 1,000 hours of service. In addition, the Company maintains an unfunded supplemental pension plan for its executives. Based on the 2004 pension plan valuation, the Company expects to make a cash contribution of $0.5 million during the current year, which is a decrease from the $1.0 million estimate disclosed at December 31, 2003. The contribution is expected to be made during the second quarter of 2004.

Postretirement Benefits Other Than Pensions - The Company has a postretirement benefit plan other than pensions for substantially all of its retired employees. Coverage includes healthcare and life insurance. Retiree contributions are dependent on credited years of service. Based on the 2004 postretirement benefit plan valuation, the Company expects to make a cash contribution of $1.2 million during the current year, which is an increase from the $1.0 million estimate disclosed at December 31, 2003. The contribution is expected to be made during the second quarter of 2004.

The following table sets forth information relating to the Company's periodic costs for its retirement plans.

	(Thousands of Dollars)			
	Pension Benefits		Other Benefits	
	Three Months Ended March 31,			
	2004	2003	2004	2003
Service Cost	$ 186	$ 171	$ 106	$ 66
Interest Cost	346	339	145	121
Expected Return on Assets	(372)	(318)	(53)	(44)
Amortization of Unrecognized Losses	--	--	73	36
Amortization of Unrecognized Prior Service Cost	23	23	--	--
Amortization of Transition Obligation	--	--	34	34
Net Periodic Benefit Cost	$ 183	$ 215	$ 305	$ 213

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

Overview

Middlesex Water Company has operated as a water utility in New Jersey since 1897, and in Delaware, through our wholly-owned subsidiary, Tidewater, since 1992. We are in the business of collecting, treating, distributing and selling 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 in New Jersey and for water services in Delaware, as to the quality of water service we provide and as to certain other matters. Only our USA, USA-PA and White Marsh subsidiaries are not regulated utilities.

Our New Jersey water utility system (the Middlesex System) provides water services to approximately 58,000 retail customers, primarily in central New Jersey. The Middlesex System also provides water service under contract to municipalities in central New Jersey with a total population of approximately 267,000. 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 other New Jersey subsidiaries, Pinelands Water and Pinelands Wastewater, provide water and wastewater services to residents in Southampton Township, New Jersey.

Our Delaware subsidiaries, Tidewater and Southern Shores, provide water services to approximately 24,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Our other Delaware subsidiary, White Marsh, services an additional 1,900 customers in Kent and Sussex Counties.

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 three factors: weather, adequate and timely rate increases, and customer growth.

We currently have three base rates increase petitions before the New Jersey Board of Public Utilities (BPU) totaling $8.3 million for Middlesex ($8.0 million), Pinelands Water ($0.1 million) and Pinelands Wastewater ($0.2 million). Those requests were filed in the fourth quarter of 2003. We have completed the discovery portion of the Middlesex case and are in settlement discussions with the various interveners. We are still in the discovery phase of the Pinelands cases with evidentiary hearings scheduled for early June 2004. We cannot predict whether the BPU will approve, deny or reduce the amount of our requests; however, despite the outcome, we will continue to seek rate increases in the future where increased operating costs and capital investment necessitate such action.

Tidewater filed for a 24% base rate increase with the PSC on April 26, 2004. In the rate application, Tidewater has projected that its net investment in rate base since April 30, 2002 through September 30, 2004 will grow by $24.0 million to $47.9 million. These expenditures are necessary to keep pace with double digit growth in customer base, improvements to water treatment, fire protection and to interconnect systems for service reliability and back-up. Tidewater has requested that the new rates be implemented in phases, with the initial 13% interim rate increase effective in late June 2004. The remainder would be split and phased-in over two subsequent six-month periods. We cannot predict whether the PSC will approve, deny or reduce the amount of our requests.

Results of Operations - Three Months Ended March 31, 2004

Operating revenues for the three months ended March 31, 2004 rose $0.9 million or 6.0% over the same period in 2003. Customer growth of 10.8% in Delaware provided additional connection fees, fixed service fees and consumption revenues of $0.2 million. Also in Delaware, our revenues rose by $0.2 million from the full effect of the April 2003 base rate increase. Though we anticipate continued growth in the number of customers and increased water consumption among our Delaware systems, such growth and increased consumption cannot be guaranteed.

Our new meter services venture provided $0.5 million in additional revenues. We continue to submit proposals to obtain these meter replacement projects, but there can be no assurance we will be the successful bidder.

Operating expenses increased by $1.1 million or 8.3%. Less severe winter weather in 2004 resulted in lower main break repair costs by $0.1 million. As a result of the continuing customer growth in our Delaware systems, the cost of water treatment, additional employees and related employee benefits rose by $0.2 million. In New Jersey, employee payroll and benefits costs and corporate governance related fees pushed up operating expenses by $0.3 million. Source of supply, which is primarily purchased water, and pumping costs, which is primarily purchased power, increased by $0.2 million. Purchased water increased as a result of a change in the unit cost structure and base purchases under the raw water contract with the New Jersey Water Supply Authority. We expect that the cost of finished water purchased from a nonaffiliated water utility to increase by 3.34% effective during the second quarter of 2004. Purchased power costs are higher due to the effect of the August 1, 2003 deregulation of electric generation in New Jersey and a rate increase on the remaining regulated portion of electric service. The costs of our meter replacement projects and wastewater operations and maintenance contracts amounted to $0.5 million of the overall expense increase. Costs relating to our City of Perth Amboy contract decreased $0.1 million. All other operating costs increased $0.1 million.

Depreciation expense for 2004 increased by $0.2 million, or 12.2%. Much of the increase is due to operations in Delaware where we invested over $11.9 million in utility plant since March 31, 2003.

Lower income taxes of $0.1 million over last year are attributable to the reduced operating results for 2004 as compared to 2003.

Net income decreased to $1.0 million from $1.2 million and basic and diluted earnings per share decreased by $0.02 to $0.09 due to lower earnings and an increase in the number of common shares outstanding.

Results of Operations - Twelve Months Ended March 31, 2004

Operating revenues rose $2.3 million or 3.7% over the same period in 2003. Customer growth of 10.8% in Delaware provided additional connection fees and fixed service fees and of $1.4 million. Also in Delaware, the April 1, 2003 base rate increase and the Distribution System Improvement Surcharge (DSIC) accounted for $0.6 million of the revenue increase. The DSIC is a separate rate mechanism that allows for cost recovery of certain capital improvement costs incurred in between base rate filings. Delaware regulated water utilities are allowed to apply for a DSIC every six months with the maximum increase limited to 5.0% in any six month period and a 7.5% overall limitation. Our current DSIC rate is 4.89% of base rates.

Cool, wet weather caused consumption to decline in New Jersey ($0.5 million) and Delaware ($0.3 million). Our new meter services venture and wastewater operations and maintenance contracts provided $0.9 million in additional revenues. All other operations accounted for $0.2 million of higher revenues.

Though we anticipate continued growth in the number of customers and increased water consumption among our Delaware systems, such growth and increased consumption cannot be guaranteed. Although not as significant in the first quarter of our fiscal year, weather conditions may adversely impact future consumption even with anticipated growth in the number of customers.

Operating expenses increased by $3.3 million or 6.6%. As a result of the continuing customer growth in our Delaware systems, the cost of additional employees and related employee benefits rose by $0.8 million. In New Jersey, employee payroll and benefits costs, insurance and corporate governance related fees pushed up costs by $0.9 million. Water treatment, source of supply and pumping costs increased by $0.6 million. Purchased water increased as a result of a change in the unit cost structure and base purchases under the raw water contract with the New Jersey Water Supply Authority. We expect that the cost of finished water purchased from a nonaffiliated water utility to increase by 3.34% effective during the second quarter of 2004. Purchased power costs are higher due to the effect of the August 1, 2003 deregulation of electric generation in New Jersey and a rate increase on the remaining regulated portion of electric service. The costs of our meter replacement projects and wastewater operations and maintenance contracts amounted to $0.9 million of the overall expense increase. Costs relating to our City of Perth Amboy contract increased $0.2 million.

Depreciation expense increased by $0.6 million, or 11.5%, due to a higher level of utility plant in service. Since March 31, 2002, our net investment in utility plant has increased by $35.6 million.

Other income decreased by $0.1 million as interest rates fell on short-term cash balance investments.

Interest expense increased by $0.2 million due to higher level of overall debt outstanding as compared to the same period in 2003.

Lower income taxes of $0.8 million over last year are attributable to the reduced operating results as compared to the same period in 2003.

Net income decreased to $6.4 million from $7.7 million and basic and diluted earnings per share decreased by $0.13 to $0.59 due to lower earnings and an increase in the number of common shares outstanding.

Liquidity and Capital Resources

Cash flows from operations are largely based on three factors: weather, adequate and timely rate increases, and customer growth. The effect of those factors on net income is discussed in results of operations. For the three months ended March 31, 2004, the $2.9 million of net cash flow from operations allowed us to fund 100% of our utility plant expenditures for the period. Due to the seasonality of our primary business of providing regulated water service, cash flow from operations in the first quarter of our fiscal year is not necessarily an indication of our ability to generate cash to fund our capital program or pay dividends to our shareholders.

The Company's capital program for 2004 is estimated to be $28.7 million and includes $14.1 million for water system additions and improvements for our Delaware systems, $6.0 million for a portion of the second raw water line to Middlesex's primary water treatment plant, and $3.8 million for the RENEW Program, which is our program to clean and cement line approximately nine miles of unlined mains in the Middlesex System.

There remains a total of approximately 138 miles of unlined mains in the 730 mile Middlesex System. Additional expenditures on the upgrade to the CJO Plant are estimated at $2.3 million. The capital program also includes $7.3 million for scheduled upgrades to our existing systems in New Jersey. The scheduled upgrades consist of $0.8 million for mains, $0.9 million for service lines, $0.3 million for meters, $0.3 million for hydrants, $1.2 million for distribution system improvements, $0.1 million for computer systems and $3.7 million for various other items.

To pay for our capital program in 2004, we will utilize internally generated funds and funds available under existing New Jersey Environmental Infrastructure Trust loans (currently, $3.5 million) and Delaware State Revolving Fund loans (currently, $3.1 million), which provide low cost financing for projects that meet certain water quality and system improvement benchmarks. If necessary, we will also utilize short-term borrowings through $25.0 million of available lines of credit with three commercial banks. As of March 31, 2004, there was $13.5 million outstanding against the lines of credit. We filed with the United States Securities and Exchange Commission a registration statement on Form S-3 covering the offering of 700,000 shares of our common stock. The common stock offering was priced at $19.80 and sold on May 6, 2004. We will use the net proceeds to repay most of our outstanding short-term borrowings once the sale is closed, which is expected to be on May 12, 2004.

Going forward into 2005 through 2006, we currently project that we will be required to expend approximately $38.5 million for capital projects. Plans to finance those projects are underway as we expect to receive approval to borrow up to $17.0 million under the New Jersey Environmental Infrastructure Trust program in November of 2004. We anticipate that some of the capital projects in Delaware will be eligible for the Delaware State Revolving Fund program in that state and we are pursuing those opportunities. We also expect to use internally generated funds and proceeds from the sale of common stock through the Dividend Reinvestment and Common Stock Purchase Plan.

In addition to the effect of weather conditions on revenues, increases in certain operating costs will impact our liquidity and capital resources. As described in our overview section, we have filed for rate relief for Middlesex, Tidewater and the Pinelands Companies. There is no certainty, however, that the BPU or PSC will approve any or all of the requested increases. The timing of any decision rendered will have an impact on revenues and earnings and also the need of when to file for additional rate increases.

Recent Accounting Pronouncements - In March 2004, the Financial Accounting Standards Board (FASB) issued, as a proposal, FASB Staff Position (FSP) 106-b "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." When issued in final, this guidance will supersede FSP 106-1 issued in 2003 and will clarify the accounting and disclosure requirements for employers with postretirement benefit plans that have been or will be affected by the passage of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act). The Act introduces two new features to Medicare that an employer needs to consider in measuring its obligation and net periodic postretirement benefit costs. The effective date for the new requirements is the first interim or annual period beginning after June 15, 2004.

Middlesex's retirees health benefit plan currently includes a prescription drug benefit that is provided to retired employees. It is anticipated that implementation of the new requirements will have a positive impact on the Company's results of operations and cash flows, although the magnitude of the impact can not be determined with any degree of certainty at this time.

Forward-Looking Information

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

Item 3. Quantitative and Qualitative Disclosures of Market Risk

The Company is subject to the risk of fluctuating interest rates in the normal course of business. Our policy is to manage interest rates through the use of fixed rate, long-term debt and, to a lesser extent, short-term debt. The Company's interest rate risk related to existing fixed rate, long-term debt is not material due to the term of the majority of our First Mortgage Bonds, which have maturity dates ranging from 2009 to 2038. Over the next twelve months, approximately $0.5 million of the current portion of six existing long-term debt instruments will mature. Applying a hypothetical change in the rate of interest charged by 10% on those borrowings would not have a material effect on earnings.

Item 4. Controls and Procedures

As required by Rule 13a-15 under 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 have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls during the quarter ended March 31, 2004.

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

A lawsuit was filed in 1998 against the Company for damages involving the break of both a Company water line and an underground electric power cable containing both electric lines and petroleum based insulating fluid. The electric utility also asserted claims against the Company. The lawsuit was settled in 2003 by agreement to submit plaintiff's claim for approximately $1.1 million damages to binding arbitration, in which the agreed maximum exposure of the Company is $0.3 million. While we are unable to predict the outcome of the arbitration, we believe that we have substantial defenses. We have not recorded any liability for the claim.

Another claim is pending involving a construction subcontractor, the Company's general contractor and the Company concerning a major construction project. The dispute relates to work required to be performed under a construction contract and related subcontracts and includes payment issues and timing/delay issues. The matter was instituted in 2001 and is pending in Superior Court, Middlesex County, New Jersey. We have estimated our maximum exposure in this litigation to be $4.3 million. We believe that we have substantial defenses to a number of the asserted claims. It is reasonably possible that we may be responsible for some portion of the amount claimed, but significantly less than the maximum. We are unable, however, to determine this amount. Any amount in this matter, which is determined to be due from us, will be recorded as an addition to utility plant in service, subject to recovery in rates charged to our customers. However, the outcome could have a material adverse effect on the Company's financial statements.

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: Exhibit 31: Section 302 Certification by Dennis G. Sullivan Pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934

Exhibit 31.1:	Section 302 Certification by A. Bruce O'Connor Pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934.
Exhibit 32:	Section 906 Certification by Dennis G. Sullivan Pursuant to 18 U.S.C.ss.1350
Exhibit 32.1:	Section 906 Certification by A. Bruce O'Connor Pursuant to 18 U.S.C.ss.1350

Reports on Form 8-K:	February 4, 2004	Earnings Release
	February 10, 2004	Postponement of Common Stock Offering
	March 16, 2004	Announcement of SEC Filing
	April 15, 2004	Announcement of Amended SEC Filings
	April 28, 2004	Earnings Release

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 Controller
and Chief Financial Officer

Date: May 10, 2004

Exhibit 31

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

I, Dennis G. Sullivan, 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)) 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) (Omitted pursuant to SEC Release No. 33-8238)

   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 G. Sullivan

Dennis G. Sullivan
Chief Executive Officer

Date: May 10, 2004

Exhibit 31.1

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)) 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. (Omitted pursuant to SEC Release No. 33-8238)

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ A. Bruce O'Connor

A. Bruce O'Connor
Chief Financial Officer

Date May 10, 2004

Exhibit 32

SECTION 906 CERTIFICATION PURSUANT TO 18 U.S.C.ss.1350

I, Dennis G. Sullivan, 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 G. Sullivan

Dennis G. Sullivan
Chief Executive Officer

Date: May 10, 2004

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 32.1

SECTION 906 CERTIFICATION PURSUANT TO 18 U.S.C.ss.1350

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

/s/ A. Bruce O'Connor

A. Bruce O'Connor
Chief Financial Officer

Date: May 10, 2004

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.