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: June 30, 1999	Commission File No. 0-422

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

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

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

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

YES [X] NO [ ]

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

Class	Outstanding at June 30, 1999
Common Stock, No Par Value	4,919,143

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MIDDLESEX WATER COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998	Twelve Months Ended June 30, 1999	Twelve Months Ended June 30, 1998
Operating Revenues	$13,812,788	$10,591,316	$25,492,681	$20,360,455	$48,190,192	$41,381,405
Operating Expenses:						
Operations	6,518,377	4,732,864	12,725,835	9,321,485	23,211,822	18,340,870
Maintenance	605,963	438,416	1,246,460	766,281	2,195,536	1,734,797
Depreciation	878,049	815,639	1,738,924	1,623,723	3,399,870	3,179,455
Other Taxes	1,762,473	1,499,787	3,292,322	2,914,244	6,479,797	5,874,888
Federal Income Taxes	1,067,082	836,439	1,562,280	1,518,689	3,042,879	3,298,780
Total Operating Expenses	10,831,944	8,323,145	20,565,821	16,144,422	38,329,904	32,428,790
Operating Income:	2,980,844	2,268,171	4,926,860	4,216,033	9,860,288	8,952,615
Allowance for Funds Used During Construction	590,614	218,253	1,076,836	352,056	1,774,824	487,897
Other-Net	170,026	245,148	383,004	284,255	844,071	367,585
Total Other Income	760,640	463,401	1,459,840	636,311	2,618,895	855,482
Income Before Interest Charges	3,741,484	2,731,572	6,386,700	4,852,344	12,479,183	9,808,097
Interest Charges	1,169,463	1,157,564	2,321,470	2,015,085	4,729,986	3,702,777
Net Income	2,572,021	1,574,008	4,065,230	2,837,259	7,749,197	6,105,320
Preferred Stock Dividend Requirements	79,696	79,696	159,393	159,393	318,786	305,957
Earnings Applicable to Common Stock	$2,492,325	$1,494,312	3,905,837	2,677,866	$7,430,411	$5,799,363
Earnings per share of Common Stock						
Basic	$ 0.51	$ 0.34	$ 0.80	$ 0.62	$ 1.60	$ 1.35
Diluted	$ 0.50	$ 0.34	$ 0.79	$ 0.62	$ 1.58	$ 1.34
Average Number of Common Shares Outstanding:						
Basic	4,913,299	4,330,025	4,907,683	4,310,462	4,650,036	4,281,191
Diluted	5,139,725	4,556,451	5,134,109	4,536,888	4,876,462	4,507,673
Cash Dividends Paid per Common Share	$0.29 1/2	$0.28 1/2	$0.59	$0.57	$1.17	$ 1.13 1/2

See notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED BALANCE SHEETS

ASSETS AND OTHER DEBITS

	June 30, 1999 (unaudited)	December 31, 1998
UTILITY PLANT:		
Water Production	$ 28,060,610	$ 28,154,961
Transmission and Distribution	119,708,883	118,234,900
General	19,407,552	19,300,406
Construction Work in Progress	35,125,711	25,794,061
TOTAL	202,302,756	191,484,328
Less Accumulated Depreciation	33,453,747	32,367,936
UTILITY PLANT-NET	168,849,009	159,116,392
NONUTILITY ASSETS-NET	4,059,779	3,710,437
CURRENT ASSETS:		
Cash and Cash Equivalents	8,653,606	9,388,822
Temporary Cash Investments-Restricted	2,816,857	9,776,072
Accounts Receivable (net of allowance for doubtful accounts)	6,179,818	4,886,067
Unbilled Revenues	3,117,650	2,298,148
Materials and Supplies (at average cost) ...	1,050,554	906,866
Prepayments and Other Current Assets	470,490	528,348
TOTAL CURRENT ASSETS	22,288,975	27,784,323
DEFERRED CHARGES:		
Unamortized Debt Expense	3,077,136	3,143,384
Preliminary Survey and Investigation Charges	344,983	276,202
Regulatory Assets		
Income Taxes	5,863,752	5,788,752
Post Retirement Costs	1,170,988	1,214,092
Other	2,323,446	2,467,674
TOTAL DEFERRED CHARGES	12,780,305	12,890,104
TOTAL	$207,978,068	$203,501,256

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND OTHER CREDITS

	June 30, 1999 (Unaudited)	December 31, 1998
CAPITALIZATION (see accompanying statements) ...	$151,240,626	$149,756,614
CURRENT LIABILITIES:		
Current Portion of Long-term Debt	89,083	71,730
Notes Payable	3,000,000	1,000,000
Accounts Payable	1,850,127	3,373,595
Taxes Accrued	6,014,103	5,220,669
Interest Accrued	1,739,185	1,701,330
Other	1,962,405	1,832,737
TOTAL CURRENT LIABILITIES	14,654,903	13,200,061
DEFERRED CREDITS:		
Customer Advances for Construction	11,221,957	11,275,660
Accumulated Deferred Investment Tax Credits	2,129,546	2,165,384
Accumulated Deferred Federal Income Taxes .	11,904,117	12,070,474
Employee Benefit Plans	4,260,138	3,762,516
Other	1,140,322	791,460
TOTAL DEFERRED CREDITS	30,656,080	30,065,494
CONTRIBUTIONS IN AID OF CONSTRUCTION	11,426,459	10,479,087
TOTAL	$207,978,068	$203,501,256

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED STATEMENTS OF CAPITALIZATION AND RETAINED EARNINGS

	June 30, 1999 (Unaudited)	December 31, 1998
CAPITALIZATION:		
Common Stock, No Par Value		
Shares Authorized - 10,000,000		
Shares Outstanding - 1999 - 4,919,143; 1998 - 4,897,069	$ 46,068,722	$ 45,507,172
Retained Earnings	22,184,943	21,222,294
TOTAL COMMON EQUITY	68,253,665	66,729,466
Cumulative Preference Stock, No Par Value		
Shares Authorized - 100,000; Shares Outstanding - None		
Cumulative Preferred Stock, No Par Value, Shares Authorized - 149,980		
Convertible:		
Shares Outstanding, $7.00 Series - 14,881	1,562,505	1,562,505
Shares Outstanding, $8.00 Series - 20,000	2,331,430	2,331,430
Nonredeemable:		
Shares Outstanding, $7.00 Series - 1,017	101,700	101,700
Shares Outstanding, $4.75 Series - 10,000	1,000,000	1,000,000
TOTAL CUMULATIVE PREFERRED STOCK	4,995,635	4,995,635
Long-term Debt:		
8.02% Amortizing Secured Note, due December 20, 2021	3,395,409	3,418,243
First Mortgage Bonds:		
7.25%, Series R, due July 1, 2021	6,000,000	6,000,000
5.20%, Series S, due October 1, 2022	12,000,000	12,000,000
5.25%, Series T, due October 1, 2023	6,500,000	6,500,000
6.40%, Series U, due February 1, 2009	15,000,000	15,000,000
5.25%, Series V, due February 1, 2029	10,000,000	10,000,000
5.35%, Series W, due February 1, 2038	23,000,000	23,000,000
0.00%, Series X, due August 1, 2018	1,050,000	1,050,000
4.53%, Series Y, due August 1, 2018	1,135,000	1,135,000
SUBTOTAL LONG-TERM DEBT	78,080,409	78,103,243
Less: Current Portion of Long-term Debt	(89,083)	(71,730)
TOTAL LONG-TERM DEBT	77,991,326	78,031,513
TOTAL CAPITALIZATION	$ 151,240,626	$ 149,756,614

	Six Months Ended June 30, 1999 (Unaudited)	Year Ended December 31, 1998
RETAINED EARNINGS:		
BALANCE AT BEGINNING OF PERIOD	$21,222,294	$20,087,065
Net Income	4,065,230	6,521,226
TOTAL	25,287,524	26,608,291
Cash Dividends:		
Cumulative Preferred Stock	159,393	318,751
Common Stock	2,893,889	4,987,013
Common Stock Expenses	49,299	80,233
TOTAL DEDUCTIONS	3,102,581	5,385,997
BALANCE AT END OF PERIOD	$22,184,943	$21,222,294

See Notes to Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998	Twelve Months Ended June 30, 1999	Twelve Months Ended June 30, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	$ 4,065,230	$ 2,837,259	$ 7,749,197	$ 6,105,320
Adjustments to Reconcile Net Income to				
Net Cash Provided by Operating Activities:				
Depreciation	1,738,924	1,623,723	3,399,870	3,179,455
Provision for Deferred Income Taxes	(241,357)	220,216	(326,597)	636,571
Allowance for Funds Used During Construction	(1,076,836)	(352,056)	(1,774,824)	(487,897)
Changes in Current Assets and Liabilities:				
Accounts Receivable	(1,293,751)	(1,072,704)	(1,312,254)	(622,194)
Accounts Payable	(1,523,468)	(815,042)	(525,864)	281,903
Accrued Taxes	793,434	447,997	424,017	495,875
Accrued Interest	37,855	415,810	139,814	422,447
Unbilled Revenues	(819,502)	(381,245)	(560,471)	(68,345)
Employee Benefit Plans	497,622	478,780	1,034,122	1,056,187
Other-Net	220,125	106,067	1,059,662	739,118
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,398,276	3,508,805	9,306,672	11,738,440
CASH FLOWS FROM INVESTING ACTIVITIES:				
Utility Plant Expenditures*	(10,380,376)	(10,292,634)	(26,363,023)	(17,902,865)
Cash from Acquisition of Subsidiary	--	--	--	158,436
Note Receivable	33,472	(1,664,224)	78,631	(1,658,261)
Preliminary Survey and Investigation Charges	(68,781)	(1,386)	(129,947)	(22,696)
Other-Net	(4,962)	(333,892)	(325,675)	(1,432,714)
NET CASH USED IN INVESTING ACTIVITIES	(10,420,647)	(12,292,136)	(26,740,014)	(20,858,100)

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998	Twelve Months Ended June 30, 1999	Twelve Months Ended June 30, 1998
CASH FLOWS FROM FINANCING ACTIVITIES:				
Redemption of Long-term Debt	(22,834)	(20,876)	(44,668)	(43,569)
Proceeds from Issuance of Long-term Debt	--	23,000,000	2,185,000	23,000,000
Short-term Bank Borrowings	2,000,000	3,912,231	(1,476,932)	3,912,231
Deferred Debt Issuance Expenses	(1,864)	(474,096)	(29,968)	(474,096)
Temporary Cash Investments-Restricted	6,959,215	(16,524,330)	13,926,260	(16,524,989)
Proceeds from Issuance of Common Stock-Net	512,251	1,526,875	13,273,832	2,153,663
Payment of Common Dividends	(2,893,889)	(2,455,537)	(5,425,365)	(4,856,883)
Payment of Preferred Dividends	(159,393)	(159,358)	(318,786)	(319,256)
Construction Advances and Contributions-Net	893,669	(47,556)	1,510,259	302,045
NET CASH PROVIDED BY FINANCING ACTIVITIES	7,287,155	8,757,353	23,599,632	7,149,146
NET CHANGE IN CASH AND CASH EQUIVALENTS	(735,216)	(25,978)	6,166,290	(1,970,514)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,388,822	2,513,294	2,487,316	4,457,830
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 8,653,606	$ 2,487,316	$ 8,653,606	$ 2,487,316

* Excludes Allowance for Funds Used During Construction

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998	Twelve Months Ended June 30, 1999	Twelve Months Ended June 30, 1998
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:				
Cash Paid During the Period for:				
Interest (net of amounts capitalized)	$ 1,124,063	$ 1,283,663	$ 2,650,978	$ 2,753,645
Income Taxes	$ 1,514,400	$ 1,300,000	$ 3,377,375	$ 2,501,500

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Organization - Middlesex Water Company (Middlesex) is the parent company and sole shareholder of Tidewater Utilities, Inc. (Tidewater), Pinelands Water Company, Pinelands Wastewater Company, Utility Service Affiliates, Inc. (USA), and Utility Service Affiliates (Perth Amboy) Inc. (USA-PA). Public Water Supply Company, Inc. (Public) 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 intercompany accounts and transactions have been eliminated.

The consolidated notes accompanying the 1998 Form 10-K are applicable to this report and, in the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of June 30, 1999 and the results of operations and its cash flows for the periods ended June 30, 1999 and 1998. Information included in the Balance Sheet as of December 31, 1998, has been derived from the Company's audited financial statements included in its annual report on Form 10-K for the year ended December 31, 1998.

Note 2 - Regulatory Matters

On May 13, 1999, the New Jersey Board of Public Utilities (BPU) approved an 11.5% or $4.3 million base rate increase for Middlesex. The purpose of the increase is to allow Middlesex the opportunity to earn a return on and recover the capital investment in the upgrade and expansion of the Carl J. Olsen Water Treatment Plant. This project was necessary to meet the new and anticipated regulatory standards concerning water quality and to increase the plant's production capacity.

Note 3 - Capitalization

Common Stock - During the three months ended June 30, 1999, 10,477 common shares ($0.2 million) were issued under the Company's Dividend Reinvestment and Common Stock Purchase Plan (DRP).

Long-term Debt - On May 20, 1999, the Company filed a petition with the BPU seeking approval to issue up to $4.5 million of long-term bonds through the New Jersey State Revolving Fund (SRF). The SRF program, which is administered by the New Jersey Environmental Infrastructure Trust, evolved from the Federal Environmental Protection Agency's (EPA) regulations issued under the Safe Drinking Water Act. Under this program, investor-owned public water utilities can apply for construction loans, which are funded by the participating state and the EPA through the state environmental agency. In New Jersey, initial project approval must be granted by the New Jersey Department of Environmental Protection (NJDEP). Funds from the EPA, which can equal up to 50% of construction costs, are loaned at a zero interest cost; the interest rate on the state portion of the loan is based upon the market place at time of issuance. The rate to the Company portion is a blend of the two rates. The interest paid to bondholders is considered tax exempt subject to the alternate minimum tax. Proceeds from the proposed financing would be available for qualified costs reimbursement in May 2000. The BPU approved the financing on July 26, 1999.

Note 4 - Earnings Per Share

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

(Thousands of Dollars)

	Three Months Ended June 30,				Six Months Ended June 30,			
	1999		1998		1999		1998	
Basic:	Income	Shares	Income	Shares	Income	Shares	Income	Shares
Net Income	$ 2,572	4,913	$ 1,574	4,330	$ 4,065	4,908	$ 2,837	4,310
Preferred Dividend	(80)		(80)		(159)		(159)	
Earnings Applicable to Common Stock .	$ 2,492	4,913	$ 1,494	4,330	$ 3,906	4,908	$ 2,678	4,310
Basic EPS	$ .51		$ .34		$ .80		$ .62	
Diluted:								
Earnings Applicable to Common Stock .	$ 2,492	4,913	$ 1,494	4,330	$ 3,906	4,908	$ 2,678	4,310
$7.00 Series ...... Dividend	26	89	26	89	52	89	52	89
$8.00 Series ...... Dividend	40	137	40	137	80	137	80	137
Adjusted Earnings Applicable to Common Stock	$ 2,558	5,139	$ 1,560	4,556	$ 4,038	5,134	$ 2,810	4,536
Diluted EPS	$ 0.50		$ 0.34		$ 0.79		$ 0.62	

	Twelve Months Ended June 30,			
	1999 Income	Shares	1998 Income	Shares
Net Income	$ 7,749	4,650	$ 6,105	4,281
Preferred Dividend	(319)		(306)	
Earnings Applicable to Common Stock .	$ 7,430	4,650	$ 5,799	4,281
Basic EPS	$ 1.60		$ 1.35	
Diluted:				
Earnings Applicable to Common Stock .	$ 7,430	4,650	$ 5,799	4,281
$7.00 Series ...... Dividend	104	89	104	89
$8.00 Series Dividend	160	137	147	137
Adjusted Earnings Applicable to Common Stock	$ 7,694	4,876	$ 6,050	4,507
Diluted EPS	$ 1.58		$ 1.34	

Note 5 - Business Segment Data

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

(Thousands of Dollars)

Operations by Segments	Three Months Ended June 30 1999	Three Months Ended June 30 1998	Six Months Ended June 30 1999	Six Months Ended June 30 1998	Twelve Months Ended June 30 1999	Twelve Months Ended June 30 1998
Revenues:						
Regulated	$ 11,970	$ 10,479	$ 21,895	$ 20,138	$ 44,374	$ 40,957
Non - Regulated .	1,857	116	3,618	232	3,850	446
Intersegment Elimination	(14)	(4)	(20)	(10)	(34)	(22)
Consolidated Revenues	$ 13,813	$ 10,591	$ 25,493	$ 20,360	$ 48,190	$ 41,381
Operating Income:						
Regulated	$ 2,770	$ 2,200	$ 4,587	$ 4,083	$ 9,444	$ 8,713
Non - Regulated .	211	68	340	133	416	241
Intersegment Elimination	--	--	--	--	--	(1)
Consolidated Operating Income	$ 2,981	$ 2,268	$ 4,927	$ 4,216	$ 9,860	$ 8,953
Depreciation:						
Regulated	$ 872	$ 816	$ 1,728	$ 1,624	$ 3,389	$ 3,179
Non - Regulated .	6	--	11	--	11	--
Intersegment Elimination	--	--	--	--	--	--
Consolidated Depreciation ..	$ 878	$ 816	$ 1,739	$ 1,624	$ 3,400	$ 3,179
Other Income:						
Regulated	$ 1,201	$ 738	$ 2,041	$ 1,035	$ 3,637	$ 1,662
Non - Regulated .	--	--	--	--	--	--
Intersegment Elimination	(440)	(275)	(581)	(399)	(1,018)	(807)
Consolidated Other Income	$ 761	$ 463	$ 1,460	$ 636	$ 2,619	$ 855
Interest Expense:						
Regulated	$ 1,250	$ 1,193	$ 2,479	$ 2,079	$ 5,011	$ 3,816
Non - Regulated .	57	29	104	51	192	89
Intersegment Elimination	(138)	(64)	(262)	(115)	(473)	(202)

	(Thousands of Dollars)					
	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
Operations by Segments	1999	1998	1999	1998	1999	1998
Consolidated Interest Expense	$ 1,169	$ 1,158	$ 2,321	$ 2,015	$ 4,730	$ 3,703
Net Income:						
Regulated	$ 2,720	$ 1,745	$ 4,149	$ 3,039	$ 8,070	$ 6,558
Non - Regulated .	154	39	236	82	225	153
Intersegment Elimination	(302)	(210)	(320)	(284)	(546)	(606)
Consolidated Net Income	$ 2,572	$ 1,574	$ 4,065	$ 2,837	$ 7,749	$ 6,105
Capital Expenditures:						
Regulated	$ 4,174	$ 5,526	$ 10,381	$ 10,293	$ 26,419	$ 17,905
Non - Regulated .	(2)	--	148	--	148	--
Intersegment Elimination	--	--	--	--	--	--
Total Capital Expenditures	$ 4,172	$ 5,526	$ 10,529	$ 10,293	$ 26,567	$ 17,905

	As of June 30, 1999	As of December 31, 1998
Assets:		
Regulated	$ 224,491	$ 219,014
Non - Regulated	3,062	2,377
Intersegment Elimination	(19,575)	(17,890)
Consolidated Assets	$ 207,978	$ 203,501

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

Results of Operations - Three Months Ended June 30, 1999

Operating revenues for the three months ended June 30, 1999 were up $3.2 million or 30.4% from the same period in 1998. A large part of the increase relates to $1.7 million in contract service revenues from USA-PA, a subsidiary established to provide operating and maintenance services to the water and wastewater systems of the City of Perth Amboy, which was effective January 1, 1999. In addition, part of the benefit of Middlesex's 11.5% rate increase implemented on May 13, 1999 and the third phase of the Pinelands Water and Wastewater rate increases implemented in late January 1999 added $0.5 million to revenues. Unusually dry and hot weather patterns throughout our service territories led to higher consumption revenue of $0.8 million and customer growth added $0.2 million.

Offsetting higher revenues were increased operating expenses of $2.5 million or 30.2% over last year. The inclusion of USA-PA's operations and maintenance expenses accounted for $1.4 million of the increase. Higher pumpage system wide and pump configurations used during the ongoing construction at the Carl J. Olsen Water Treatment Plant (CJO Plant) increased purchased power and water expenses by $0.2 million. Employee related costs rose $0.2 million due to wage increases and additional personnel. Other taxes, which rose $0.3 million or 17.5%, included higher revenue related taxes, real estate taxes and payroll taxes. Federal income taxes were up by $0.2 million, reflecting a higher amount of current taxable income.

Other income increased $0.3 million compared to the same three-month period in 1998. An increase of $0.4 million in Allowance for Funds Used During Construction (AFUDC) was related to the capital expenditures incurred in connection with the upgrade of the CJO Plant. Interest income fell $0.1 million due to a lower level of funds available for investment.

The rise in net income to $2.6 million, up 63.4% from $1.6 million, was attributable to greater than expected revenues, USA-PA contract operations and net financing activity related to the construction program.

Results of Operations - Six Months Ended June 30, 1999

Operating revenues for the six months ended June 30, 1999 were up $5.1 million or 25.2% from the same period in 1998. A large part of the increase relates to $3.4 million in contract service revenues from USA-PA. In addition, the full benefit of Middlesex's 4.4% rate increase implemented in late January 1998, a portion of the 11.5% Middlesex rate increase of May 13, 1999, and the third phase of the Pinelands Water and Wastewater rate increases implemented in late January 1999 added $0.8 million to revenues. Consumption increases due to the hot and dry weather helped push revenues up $0.6 million. Continued growth in the customer base of our Delaware operations also contributed $0.3 million to revenues.

Offsetting higher revenues were increased operating expenses of $4.4 million or 27.4% over last year. The inclusion of USA-PA's operations and maintenance expenses accounted for $2.9 million of the increase. Higher pumpage system wide increased purchase power expenses by $0.1 million and purchased water by $0.2 million. Increases amounting to $0.4 million were also experienced in administrative and general costs.

Other taxes, which rose $0.4 million or 13.0%, included higher revenue related taxes, real estate taxes and payroll taxes.

Other income increased $0.8 million compared to the same six-month period in 1998. An increase of $0.7 million in AFUDC was related to the capital expenditures incurred in connection with the upgrade of the CJO Plant. Interest income increased $0.1 million due to a higher level of funds available for investment.

Total interest charges rose $0.3 million and reflect debt service on the Series W First Mortgage Bonds issued in March 1998.

The rise in net income to $4.1 million, up 43% from $2.8, was attributable to the greater than expected revenues, USA-PA contract operations and net financing activity related to the construction program.

Results of Operations - Twelve Months Ended June 30, 1999

Operating revenues for the twelve months ended June 30, 1999 were higher by $6.8 million or 16.5%. The following factors contributed to this increase. The inclusion of USA-PA for six months added $3.4 million to revenues. Rate increases implemented by Middlesex and the Pinelands Water and Wastewater Companies accounted for $1.8 million of additional revenues. Weather related consumption increases added $0.9 million. Tidewater's continued growth in its customer base also contributed $0.7 million in revenues.

Total operating expenses increased $5.9 million or 18.2%. Primary factors contributing to the increase are the inclusion of USA-PA's operations and maintenance expenses for $2.9 million. Purchased water cost rose $0.2 million due to a change in the composition of the water sources used to supply Middlesex customers. Purchased power also increased by $0.2 million due to the pump configurations used at the CJO Plant. Mandated recognition of postretirement benefit costs other than pensions added $0.3 million to expenses. Labor costs also added $0.9 million to increased expenses.

Depreciation expense increased $0.2 million or 6.9% as a result of newly constructed utility plant placed in service during the twelve-month period.

Other taxes increased $0.6 million or 10.3%. The increase primarily relates to higher revenue-related taxes and employers' payroll taxes. Federal income taxes decreased $0.3 million or 7.8% as a result of a lower amount of deferred taxes offsetting an increased amount of current taxes.

Other income rose $1.8 million with the AFUDC, accounting for $1.3 million. The increase in AFUDC reflects capitalized interest on expenditures associated with the upgrade of the CJO Plant. Unexpended proceeds available for investment from the Series W First Mortgage Bonds, which were issued in March 1998, increased interest income by $0.5 million.

Interest expense related to the Series W First Mortgage Bonds, issued in March 1998, accounted for most of the increase in total interest charges of $1.0 million. The remainder of the increase is due to short-term borrowings, incurred to provide interim financing for the Company's capital program.

Basic and diluted earnings per share increased $0.25 and $0.24, respectively. The per share dilution for the twelve months ended June 30, 1999 and 1998 is attributable to the two series of convertible preferred stock currently outstanding.

Capital Resources

The Company's capital program for 1999 is estimated to be $26.6 million and includes $15.0 million for the remaining expenditures for the upgrade of the CJO Plant, $2.0 million for the RENEW Program, which is our program to clean and cement line approximately nine miles of unlined mains in the Middlesex System. There is a total of approximately 170 miles of unlined mains in the 670 mile Middlesex System. The capital program also includes $5.8 million for water system additions and improvements for our Delaware systems and $3.8 million for scheduled upgrades to our existing systems in New Jersey. The scheduled upgrades consists of $1.0 million for mains, $0.7 million for service lines, $0.5 million for meters, $0.4 for hydrants and $1.2 million for various other items.

Liquidity

Proceeds from the $23.0 million Series W First Mortgage Bonds and the December 1998, $12.7 million common stock offering are being used to finance the CJO Plant expenditures in 1999. Middlesex issued $2.2 million of First Mortgage Bonds in November 1998 through the New Jersey State Revolving Fund (SRF) to cover the cost of the 1999 RENEW Program. The capital program in Delaware will be financed through a combination of a capital contribution from Middlesex and long-term debt financing from either a financial institution or the Company. Other capital expenditures will be financed through internally generated funds and sale of common stock through the Dividend Reinvestment and Common Stock Purchase Plan (DRP). Capital expenditures of $10.4 million have been incurred in the six months ended June 30, 1999. The Company may also utilize short-term borrowings through $28.0 million of available lines of credit it has with three commercial banks for working capital purposes. At June 30, 1999, there were $3.0 million of loans outstanding against the lines of credit.

Accounting Standards

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

Year 2000 Readiness

The Company, through its year 2000 (Y2K) Committee, continues to advance in its efforts to ensure that our ability to provide service will not be interrupted by Y2K related problems.

Responses to our critical vendor questionnaire have reached approximately 88%. There was a 100% response rate from the most important vendors, namely electric utilities, chemical companies, bulk water suppliers and telecommunications providers. Each vendor has indicated their level of readiness. This information is being used to prepare Middlesex contingency plans, which will be submitted to the BPU in August 1999. Contingency plans for our Delaware water utilities have been submitted to the Delaware Public Service Commission. The costs to implement these plans are currently projected to be less than $0.1 million.

The Y2K Committee continues to focus on completing its inventory of equipment that may contain embedded chips. We are working with the equipment manufacturers to help identify the affected equipment and the ability to modify or replace the equipment in a timely manner. Y2K compliance statements have been received for approximately 80% of the manufactured equipment in question. In each instance the manufacturer has indicated that the equipment or components in use are not Y2K sensitive. Based on the information received, Y2K testing for the respective equipment is not being considered. The ability of our financial system to recognize post 1999 dates was tested and determined to be compliant.

Our customer billing and information system is scheduled for testing during August 1999. All customers in New Jersey have received notification of our plans to ensure service as usual on January 1, 2000. Notification of our Delaware customers is expected to be completed by the end of the third quarter of 1999.

Forward Looking Information

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

Item 3. Quantitative and Qualitative Disclosures of Market Risk

The Company is subject to the risk of fluctuating interest rates in the normal course of business. Our policy is to manage interest rates through the use of fixed rate long-term debt and, to a lesser extent, short-term debt. The Company's interest rate risk related to existing fixed rate, long-term debt is not material due to the term of the majority of our First Mortgage Bonds, which have maturity dates ranging from 2009 to 2038. Over the next twelve months approximately $0.1 million of the current portion of three existing long-term debt instruments will mature. Applying a hypothetical change in the rate of interest charged by 10% on those borrowings would not have a material effect on earnings.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company's insurer recently settled a lawsuit brought in our Middlesex service area by a motel and a bank creditor of the motel that had pursued the motel's claim against us.

Claims resulting from the death of a motel guest from legionella in 1997 and claims brought by two other patrons alleging illness as a result of their stay at the motel brought against the motel and against us remain outstanding. We have substantial insurance coverage, which we believe will be sufficient for all claims in this matter. While the outcome of this case remains uncertain, we believe that the final resolution will not have a significant effect on our financial condition or results of operations.

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

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

Annual Meeting of Shareholders held May 26, 1999.

Matters voted upon at the meeting:

ELECTION OF DIRECTORS

Nominees for Class III term expiring in 2002:

	FOR	WITHHOLD
Jeffries Shein	4,001,331	48,217
J. Richard Tompkins	4,006,424	43,124

Resolution approving appointment of Deloitte & Touche LLP, Certified Public Accountants, as independent auditors for 1999:

FOR	AGAINST	ABSTAIN
4,007,642	15,837	26,069

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: No. 11, Statement Regarding Computation of Per Share Earnings
No. 27, Financial Data Schedule.

(b) Reports on Form 8-K: None

SIGNATURE

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

MIDDLESEX WATER COMPANY
(Registrant)

/s/A. Bruce O'Connor

A. Bruce O'Connor
Vice President and Controller

Date: August 12, 1999

EXHIBIT 11
MIDDLESEX WATER COMPANY
STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS

	Three Months Ended June 30, 1999		1998	
Basic:	Income	Shares	Income	Shares
Income before preferred stock: Dividend Requirement	$ 2,572,021	4,913,299	$ 1,574,008	4,330,025
Less Preferred Stock Dividend Requirement	(79,696)		(79,696)	
Earnings Applicable to Common Stock	$ 2,492,325	4,913,299	$ 1,494,312	4,330,025
Basic Earnings Per Share of Common Stock	$ 0.51		$ 0.34	
Diluted:				
Earnings Applicable to Common Stock	$ 2,492,325	4,913,299	$ 1,494,312	4,330,025
Convertible Preferred Stock $7.00 Series Dividend	26,042	89,286	26,042	89,286
Convertible Preferred Stock $8.00 Series Dividend	40,000	137,140	40,000	137,140
Adjusted Earnings Applicable to Common Stock	$ 2,558,367	5,139,725	$ 1,560,354	4,556,451
Diluted Earnings Per Share of Common Stock	$ 0.50		$ 0.34	

	Six Months Ended June 30, 1999		1998	
	Income	Shares	Income	Shares
Income Before Preferred Stock Dividend Requirement	$ 4,065,230	4,907,683	$ 2,837,259	4,310,462
Less Preferred Stock Dividend Requirement	(159,393)		(159,393)	
Earnings Applicable to Common Stock	$ 3,905,837	4,907,683	$ 2,677,866	4,310,462
Basic Earnings Per Share of Common Stock	$ 0.80		$ 0.62	
Diluted:				
Earnings Applicable to Common Stock	$ 3,905,837	4,907,683	$ 2,677,866	4,310,462
Convertible Preferred Stock $7.00 Series Dividend	52,084	89,286	52,084	89,286
Convertible Preferred Stock $8.00 Series Dividend	80,000	137,140	80,000	137,140
Adjusted Earnings Applicable to Common Stock	$ 4,037,921	5,134,109	$ 2,809,950	4,536,888
Diluted Earnings Per Share of Common Stock	$ 0.79		$ 0.62	

	Twelve Months Ended June 30, 1999		1998	
	Income	Shares	Income	Shares
Income Before Preferred Stock Dividend Requirement	$ 7,749,197	4,650,036	$ 6,105,320	4,281,191
Less Preferred Stock Dividend Requirement	(318,786)		(305,957)	
Earnings Applicable to Common Stock	$ 7,430,411	4,650,036	$ 5,799,363	4,281,191
Basic Earnings Per Share of Common Stock	$ 1.60		$ 1.35	
Diluted:				
Earnings Applicable to Common Stock	$ 7,430,411	4,650,036	$ 5,799,363	4,281,191
Convertible Preferred Stock $7.00 Series Dividend	104,167	89,286	104,307	89,342
Convertible Preferred Stock $8.00 Series Dividend	160,000	137,140	146,849	137,140
Adjusted Earnings Applicable to Common Stock	$ 7,694,578	4,876,462	$ 6,050,519	4,507,673
Diluted Earnings Per Share of Common Stock	$ 1.58		$ 1.34	

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MIDDLESEX WATER COMPANY

6-MOS
DEC-31-1999
JUN-30-1999
PER-BOOK
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0.79