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, 2007

OR

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

For the transition period from _________________ to______________________

Commission File Number 0-422

MIDDLESEX WATER COMPANY

(Exact name of registrant as specified in its charter)

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

1500 Ronson Road, Iselin, NJ 08830
(Address of principal executive offices, including zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐

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 August 1, 2007: Common Stock, No Par Value: 13,203,379 shares outstanding.

INDEX

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

	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Operating Revenues	$ 21,745	$ 21,037	$ 40,732	$ 39,267
Operating Expenses:				
Operations	10,143	10,012	20,335	19,658
Maintenance	1,037	794	2,015	1,533
Depreciation	1,875	1,713	3,720	3,381
Other Taxes	2,411	2,369	4,662	4,573
Total Operating Expenses	15,466	14,888	30,732	29,145
Operating Income	6,279	6,149	10,000	10,122
Other Income:				
Allowance for Funds Used During Construction	140	115	252	228
Other Income	282	41	508	99
Other Expense	(8)	(13)	(12)	(14)
Total Other Income, net	414	143	748	313
Interest Charges	1,698	1,808	3,081	3,323
Income before Income Taxes	4,995	4,484	7,667	7,112
Income Taxes	1,682	1,517	2,583	2,332
Net Income	3,313	2,967	5,084	4,780
Preferred Stock Dividend Requirements	62	62	124	124
Earnings Applicable to Common Stock	$ 3,251	$ 2,905	$ 4,960	$ 4,656
Earnings per share of Common Stock:				
Basic	$ 0.25	$ 0.25	$ 0.38	$ 0.40
Diluted	$ 0.24	$ 0.25	$ 0.37	$ 0.40
Average Number of Common Shares Outstanding :				
Basic	13,191	11,611	13,184	11,602
Diluted	13,522	11,942	13,515	11,933
Cash Dividends Paid per Common Share	$ 0.1725	$ 0.1700	$ 0.3450	$ 0.3400

See Notes to Condensed Consolidated Financial Statements.

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

ASSETS		June 30, 2007	December 31, 2006
UTILITY PLANT:	Water Production	**$ 97,588**	$ 95,324
	Transmission and Distribution	**250,753**	243,959
	General	**24,627**	25,153
	Construction Work in Progress	**8,216**	6,131
	TOTAL	**381,184**	370,567
	Less Accumulated Depreciation	**62,199**	59,694
	UTILITY PLANT - NET	**318,985**	310,873
CURRENT ASSETS:	Cash and Cash Equivalents	**2,519**	5,826
	Accounts Receivable, net	**10,470**	8,538
	Unbilled Revenues	**5,559**	4,013
	Materials and Supplies (at average cost)	**1,445**	1,306
	Prepayments	**1,636**	1,229
	TOTAL CURRENT ASSETS	**21,629**	20,912
DEFERRED CHARGES AND OTHER ASSETS:	Unamortized Debt Expense	**2,954**	3,014
	Preliminary Survey and Investigation Charges	**5,026**	3,436
	Regulatory Assets	**20,387**	18,342
	Restricted Cash	**6,227**	6,850
	Non-utility Assets - Net	**6,656**	6,255
	Other	**410**	585
	TOTAL DEFERRED CHARGES AND OTHER ASSETS	**41,660**	38,482
	TOTAL ASSETS	**$ 382,274**	$ 370,267
CAPITALIZATION AND LIABILITIES			
CAPITALIZATION:	Common Stock, No Par Value	**$ 104,953**	$ 104,248
	Retained Earnings	**25,399**	25,001
	Accumulated Other Comprehensive Income, net of tax	**80**	94
	TOTAL COMMON EQUITY	**130,432**	129,343
	Preferred Stock	**3,958**	3,958
	Long-term Debt	**130,073**	130,706
	TOTAL CAPITALIZATION	**264,463**	264,007
CURRENT LIABILITIES:	Current Portion of Long-term Debt	**2,556**	2,501
	Notes Payable	**800**	–
	Accounts Payable	**7,502**	5,491
	Accrued Taxes	**7,988**	6,684
	Accrued Interest	**1,912**	1,880
	Unearned Revenues and Advanced Service Fees	**707**	601
	Other	**1,183**	984
	TOTAL CURRENT LIABILITIES	**22,648**	18,141
COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)			
DEFERRED CREDITS AND OTHER LIABILITIES:	Customer Advances for Construction	**20,501**	19,246
	Accumulated Deferred Investment Tax Credits	**1,774**	1,813
	Accumulated Deferred Income Taxes	**18,053**	15,779
	Employee Benefit Plans	**17,688**	16,388
	Regulatory Liability - Cost of Utility Plant Removal	**6,501**	6,200
	Other	**514**	527
	TOTAL DEFERRED CREDITS AND OTHER LIABILITIES	**65,031**	59,953
CONTRIBUTIONS IN AID OF CONSTRUCTION		**30,132**	28,166
	TOTAL CAPITALIZATION AND LIABILITIES	**$ 382,274**	$ 370,267

See Notes to Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30, 2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	**$ 5,084**	$ 4,780
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**4,029**	3,762
Provision for Deferred Income Taxes and ITC	**235**	(98)
Equity Portion of AFUDC	**(121)**	(105)
Cash Surrender Value of Life Insurance	**(205)**	(104)
Gain on Sale of Real Estate	**(212)**	-
Changes in Assets and Liabilities:		
Accounts Receivable	**(1,555)**	431
Unbilled Revenues	**(1,546)**	(1,196)
Materials & Supplies	**(139)**	(195)
Prepayments	**(407)**	(795)
Other Assets	**(194)**	(295)
Accounts Payable	**2,011**	(1,056)
Accrued Taxes	**1,312**	1,361
Accrued Interest	**32**	28
Employee Benefit Plans	**1,300**	920
Unearned Revenue & Advanced Service Fees	**106**	19
Other Liabilities	**186**	(73)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**9,916**	7,384
CASH FLOWS FROM INVESTING ACTIVITIES:		
Utility Plant Expenditures, Including AFUDC of $131 in 2007 and $123 in 2006	**(8,774)**	(12,019)
Restricted Cash	**647**	98
Proceeds from Real Estate Dispositions	**273**	-
Preliminary Survey & Investigation Charges	**(1,590)**	(754)
NET CASH USED IN INVESTING ACTIVITIES	**(9,444)**	(12,675)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemption of Long-term Debt	**(711)**	(555)
Proceeds from Issuance of Long-term Debt	**133**	1
Net Short-term Bank Borrowings	**800**	8,600
Deferred Debt Issuance Expenses	**(30)**	-
Common Stock Issuance Expense	**(15)**	-
Restricted Cash	**(23)**	(11)
Proceeds from Issuance of Common Stock	**705**	767
Payment of Common Dividends	**(4,547)**	(3,943)
Payment of Preferred Dividends	**(124)**	(124)
Construction Advances and Contributions-Net	**33**	(126)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(3,779)**	4,609
NET CHANGES IN CASH AND CASH EQUIVALENTS	**(3,307)**	(682)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**5,826**	2,984
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 2,519**	$ 2,302
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:		
Utility Plant received as Construction Advances and Contributions	**$ 2,811**	$ 2,095
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash Paid During the Year for:		
Interest	**$ 3,098**	$ 3,319
Interest Capitalized	**$ (131)**	$ (123)
Income Taxes	**$ 1,518**	$ 2,040

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, 2007		December 31, 2006
Common Stock, No Par Value				
Shares Authorized - 40,000				
Shares Outstanding - 2007 - 13,200	$	**104,953**	$	104,248
2006 - 13,168				
Retained Earnings		**25,399**		25,001
Accumulated Other Comprehensive Income, net of tax		**80**		94
	$	**130,432**	$	129,343
Cumulative Preference Stock, No Par Value:				
Shares Authorized - 100				
Shares Outstanding - None				
Cumulative Preferred Stock, No Par Value				
Shares Authorized - 139				
Shares Outstanding - 37				
Convertible:				
Shares Outstanding, $7.00 Series - 14		**1,457**		1,457
Shares Outstanding, $8.00 Series - 12		**1,399**		1,399
Nonredeemable:				
Shares Outstanding, $7.00 Series - 1		**102**		102
Shares Outstanding, $4.75 Series - 10		**1,000**		1,000
TOTAL PREFERRED STOCK	$	**3,958**	$	3,958
Long-term Debt				
8.05%, Amortizing Secured Note, due December 20, 2021	$	**2,849**	$	2,896
6.25%, Amortizing Secured Note, due May 22, 2028		**8,785**		8,995
6.44%, Amortizing Secured Note, due August 25, 2030		**6,487**		6,627
6.46%, Amortizing Secured Note, due September 19, 2031		**6,766**		6,907
4.22%, State Revolving Trust Note, due December 31, 2022		**707**		739
3.30% to 3.60%, State Revolving Trust Note, due May 1, 2025		**3,168**		3,100
3.49%, State Revolving Trust Note, due January 25, 2027		**603**		598
4.03%, State Revolving Trust Note, due December 1, 2026		**974**		914
4.00% to 5.00%, State Revolving Trust Bond, due September 1, 2021		**730**		730
0.00%, State Revolving Fund Bond, due September 1, 2021		**567**		577
First Mortgage Bonds:				
5.20%, Series S, due October 1, 2022		**12,000**		12,000
5.25%, Series T, due October 1, 2023		**6,500**		6,500
6.40%, Series U, due February 1, 2009		**15,000**		15,000
5.25%, Series V, due February 1, 2029		**10,000**		10,000
5.35%, Series W, due February 1, 2038		**23,000**		23,000
0.00%, Series X, due September 1, 2018		**636**		647
4.25% to 4.63%, Series Y, due September 1, 2018		**820**		820
0.00%, Series Z, due September 1, 2019		**1,428**		1,455
5.25% to 5.75%, Series AA, due September 1, 2019		**1,890**		1,890
0.00%, Series BB, due September 1, 2021		**1,774**		1,805
4.00% to 5.00%, Series CC, due September 1, 2021		**2,090**		2,090
5.10%, Series DD, due January 1, 2032		**6,000**		6,000
0.00%, Series EE, due September 1, 2024		**7,420**		7,482
3.00% to 5.50%, Series FF, due September 1, 2024		**8,735**		8,735
0.00%, Series GG, due September 1, 2026		**1,750**		1,750
4.00% to 5.00%, Series HH, due September 1, 2026		**1,950**		1,950
SUBTOTAL LONG-TERM DEBT		**132,629**		133,207
Less: Current Portion of Long-term Debt		**(2,556)**		(2,501)
TOTAL LONG-TERM DEBT	$	**130,073**	$	130,706

See Notes to Condensed Consolidated Financial Statements.

MIDDLESEX WATER COMPANY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Organization – 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 (the Company) are reported on a consolidated basis. All significant intercompany accounts and transactions have been eliminated.

The consolidated notes within the 2006 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, 2007, the results of operations for the three and six month periods ended June 30, 2007 and 2006, and cash flows for the six month periods ended June 30, 2007 and 2006. Information included in the Balance Sheet as of December 31, 2006, has been derived from the Company's audited financial statements for the year ended December 31, 2006.

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

Recent Accounting Pronouncements– In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48) "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109", to clarify certain aspects of accounting for uncertain tax positions, including recognition and measurement of those tax positions. This interpretation was effective for fiscal years beginning after December 15, 2006 (January 1, 2007 for the Company). The adoption of this interpretation had no impact on the Company's financial position, results of operations, or cash flows.

In September 2006, the FASB's Emerging Issues Task Force reached a consensus on EITF Issue No. 06-5, "Accounting for Purchases of Life Insurance – Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4, Accounting for Purchases of Life Insurance" ("EITF 06-5"). EITF 06-5 provides clarification for determining the amounts that could be realized by policyholders in accounting for life insurance contracts. EITF 06-5 is effective for fiscal years beginning after December 15, 2006 (January 1, 2007 for the Company). Adoption of EITF 06-5 had no material impact on the Company's consolidated financial statements.

Note 2 – Rate Matters

Middlesex filed for an $8.9 million or 16.5% base rate increase with the New Jersey Board of Public Utilities (BPU) on April 18, 2007. The requested increase is intended to recover increased costs of operations, maintenance, labor and benefits, purchased power, purchased water and taxes, as well as capital investment of approximately $23.0 million since June 2005. We cannot predict whether the BPU will ultimately approve, deny, or reduce the amount of our request. We do not expect a decision on this matter until the first quarter of 2008.

In accordance with the tariff established for Southern Shores, an annual rate increase of 3% was implemented on January 1, 2007. The increase cannot exceed the lesser of the regional Consumer Price Index or 3%. The contracted rate schedule is set to expire on December 31, 2007. The Company is in the process of renegotiating the rate schedule.

Note 3 – Capitalization

Common Stock–During the six months ended June 30, 2007, there were 31,680, common shares (approximately $0.6 million) issued under the Company's Dividend Reinvestment and Common Stock Purchase Plan (DRP). Middlesex received approval from the BPU in June 2007 to increase the number of shares authorized under the DRP from 1.7 million to 2.3 million shares.

In May 2007, the Company received shareholders approval to increase the number of authorized shares of common stock from 20 million shares to 40 million shares.

Long-term Debt– Middlesex received approval from the BPU to issue up to $4.0 million of first mortgage bonds through the New Jersey Environmental Infrastructure Trust under the New Jersey State Revolving Fund (SRF) program. The Company expects to complete the transaction in November 2007. Proceeds from this financing will be used for the ongoing main cleaning and lining project in 2008.

Note 4 – Earnings Per Share

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

	(In Thousands Except per Share Amounts) Three Months Ended June 30,			
Basic:	2007	Shares	2006	Shares
Net Income	$ 3,313	13,191	$ 2,967	11,611
Preferred Dividend	(62)		(62)	
Earnings Applicable to Common Stock	$ 3,251	13,191	$ 2,905	11,611
Basic EPS	$ 0.25		$ 0.25	
Diluted:				
Earnings Applicable to Common Stock	$ 3,251	13,191	$ 2,905	11,611
$7.00 Series Preferred Dividend	24	167	24	167
$8.00 Series Preferred Dividend	24	164	24	164
Adjusted Earnings Applicable to Common Stock	$ 3,299	13,522	$ 2,953	11,942
Diluted EPS	$ 0.24		$ 0.25	

Basic:	2007	Shares	2006	Shares
	Six Months Ended June 30,			
Net Income	$ 5,084	13,184	$ 4,780	11,602
Preferred Dividend	(124)		(124)	
Earnings Applicable to Common Stock	$ 4,960	13,184	$ 4,656	11,602
Basic EPS	$ 0.38		$ 0.40	
Diluted:				
Earnings Applicable to Common Stock	$ 4,960	13,184	$ 4,656	11,602
$7.00 Series Preferred Dividend	49	167	49	167
$8.00 Series Preferred Dividend	48	164	48	164
Adjusted Earnings Applicable to Common Stock	$ 5,057	13,515	$ 4,753	11,933
Diluted EPS	$ 0.37		$ 0.40	

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 the States of 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.

	(In Thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
Operations by Segments:	2007	2006	2007	2006
Revenues:				
Regulated	$ 19,776	$ 18,663	$ 36,462	$ 34,663
Non – Regulated	2,081	2,404	4,427	4,664
Inter-segment Elimination	(112)	(30)	(157)	(60)
Consolidated Revenues	$ 21,745	$ 21,037	$ 40,732	$ 39,267
Operating Income:				
Regulated	$ 5,951	$ 5,746	$ 9,416	$ 9,449
Non – Regulated	328	403	584	673
Consolidated Operating Income	$ 6,279	$ 6,149	$ 10,000	$ 10,122
Net Income:				
Regulated	$ 3,140	$ 2,740	$ 4,777	$ 4,407
Non – Regulated	173	227	307	373
Consolidated Net Income	$ 3,313	$ 2,967	$ 5,084	$ 4,780

Capital Expenditures:				
Regulated	$ 5,024	$ 7,209	$ 8,549	$ 11,801
Non – Regulated	130	200	225	218
Total Capital Expenditures	$ 5,154	$ 7,409	$ 8,774	$ 12,019

	As of June 30, 2007	As of December 31, 2006
Assets:		
Regulated	$ 377,728	$ 366,149
Non – Regulated	7,540	6,808
Inter-segment Elimination	(2,994)	(2,690)
Consolidated Assets	$ 382,274	$ 370,267

Note 6 – Short-term Borrowings

As of June 30, 2007, the Company has established lines of credit aggregating $40.0 million. At June 30, 2007, the outstanding borrowings under these credit lines were $0.8 million at a weighted average interest rate of 6.62%.

The weighted average daily amounts of borrowings outstanding under the Company's credit lines and the weighted average interest rates on those amounts were $0.2 million and $9.2 million at 6.62% and 5.91% for the three months ended June 30, 2007 and 2006, respectively. The weighted average daily amounts of borrowings outstanding under the Company's credit lines and the weighted average interest rates on those amounts were $0.1 million and $7.6 million at 6.62% and 5.82% for the six months ended June 30, 2007 and 2006, respectively.

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

Note 7 – Commitments and Contingent Liabilities

Guarantees - USA-PA operates the City of Perth Amboy, New Jersey (Perth Amboy) water and wastewater systems under contract through June 30, 2018. The agreement was effected under New Jersey's Water Supply Public/Private Contracting Act and the New Jersey Wastewater Public/Private Contracting Act. Under the agreement, USA-PA receives a fixed fee and in addition, a variable fee based on increased system billing. Scheduled fixed fee payments for 2007 are $7.8 million. The fixed fees will increase over the term of the contract to $10.2 million per year.

In connection with the agreement, Perth Amboy, through the Middlesex County Improvement Authority, issued approximately $68.0 million in three series of bonds. Middlesex guaranteed one of those series of bonds, designated the Series C Serial Bonds, in the principal amount of approximately $26.3 million. Perth Amboy guaranteed the two other series of bonds. The Series C Serial Bonds have various maturity dates with the final maturity date on September 1, 2015. As of June 30, 2007, approximately $23.4 million of the Series C Serial Bonds remained outstanding.

Middlesex is obligated to perform under the guarantee in the event notice is received from the Series C Serial Bonds trustee of an impending debt service deficiency. If Middlesex funds any debt service obligations as guarantor, Perth Amboy is required to reimburse the Company. There are other provisions in the agreement that make it unlikely that we would be required to perform under the guarantee, such as scheduled annual rate increases for water and wastewater services as well as rate increases that may be implemented at anytime by Perth Amboy. In the event revenues from customers could not satisfy the reimbursement requirements, Perth Amboy has Ad Valorem taxing powers, which could be used to raise the needed amount.

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

Middlesex also has an agreement with a non-affiliated regulated water utility for the purchase of treated water. This agreement, which expires February 27, 2011, provides for the minimum purchase of 3 mgd of treated water with provisions for additional purchases.

Purchased water costs are shown below:

	(In Thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Purchased Water				
Treated	$ 539	$ 473	$ 999	$ 935
Untreated	529	492	1,128	1,059
Total Costs	$ 1,068	$ 965	$ 2,127	$ 1,994

Construction – The Company expects to spend approximately $32.1 million on its construction program in 2007.

Litigation – In July 2005, Tidewater received a notice of violation and request for corrective action issued by the Delaware State Fire Marshal regarding the alleged failure of one of the community water systems operated by Tidewater to meet Delaware fire protection requirements. Tidewater appealed the Fire Marshal's decision with the Delaware State Fire Prevention Commission (the "SFPC") and, in November 2005, the SFPC denied Tidewater's appeal. In December 2005, Tidewater filed an appeal of the SFPC's decision with the Sussex County Superior Court in Delaware, which is still pending. There are approximately 67 of our other systems that may not meet the Delaware Fire Marshal's recent interpretation of the fire protection requirements. If the Delaware Fire Marshal's interpretation of the regulations is upheld upon appeal, we may be required to make corrections to the system at issue and the Delaware Fire Marshal could issue notices of violation and requests for corrective action for some or all of the approximately 67 other community systems. At this time, we cannot predict how many community water systems would ultimately require corrective action if our appeal is unsuccessful nor can we predict the timing and the cost of any required corrective actions. We will apply to the PSC to increase base rates to recover the costs of any such corrective actions. However, if corrective actions need to be taken at several community water systems, our costs could be significant, and to the extent the PSC does not approve rate increases to offset these costs, or if there is a significant delay in receiving approval for such rate increases, such costs could have a material adverse effect on our operating results.

The Court action is currently on hold while the parties, with the assistance of a mediator, have met in an attempt to resolve as many open issues as possible. If any significant issues remain open after these discussions, they will be referred back to the Court for ultimate decision.

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

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

Note 8 – Employee Retirement Benefit Plans

Pension – The Company has a noncontributory defined benefit pension plan, which covers all employees with more than 1,000 hours of service. The Company contributed $1.5 million of cash to the plan on August 3, 2007. The Company also maintains an unfunded supplemental retirement benefit plan for certain active and retired company officers and currently pays $0.3 million in annual benefits to the retired participants.

Postretirement Benefits Other Than Pensions– The Company maintains 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. The Company expects to make cash contributions to the plan of approximately $1.6 million beginning in the third quarter of 2007.

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

(In Thousands)	Pension Benefits		Other Benefits	
Three Months Ended June 30,	2007	2006	2007	2006
Service Cost	$ 320	$ 334	$ 205	$ 189
Interest Cost	453	425	224	201
Expected Return on Assets	(456)	(402)	(120)	(83)
Amortization of Unrecognized Losses	66	62	84	111
Amortization of Unrecognized Prior Service Cost	-	3	-	-
Amortization of Transition Obligation	2	-	34	34
Net Periodic Benefit Cost	$ 385	$ 422	$ 427	$ 452

	Pension Benefits		Other Benefits	
Six Months Ended June 30,	2007	2006	2007	2006
Service Cost	$ 639	$ 644	$ 411	$ 366
Interest Cost	907	855	448	419
Expected Return on Assets	(913)	(816)	(241)	(174)
Amortization of Unrecognized Losses	131	119	169	240

Amortization of Unrecognized Prior Service Cost	-	3	-	-
Amortization of Transition Obligation	5	-	68	68
Net Periodic Benefit Cost	$ 769	$ 805	$ 855	$ 919

Note 9 – Stock Based Compensation

The Company maintains a Restricted Stock Plan, under which 63,837 shares of the Company's common stock are held in escrow by the Company as of June 30, 2007 for key employees. Such stock is subject to forfeiture by the employee in the event of termination of employment within five years of the award other than as a result of retirement, death, disability or change in control. The maximum number of shares authorized for grant under this plan is 240,000 shares. There were no grants, vesting or forfeitures of restricted stock during the six months ended June 30, 2007.

The Company recognizes compensation expense at fair value for its restricted stock awards in accordance with SFAS 123(R), "Share Based Payment". Compensation expense is determined by the market value of the stock on the date of the award and is being amortized over a five-year period. Compensation expense for the three and six months ended June 30, 2007 and 2006 was $0.1 million. Total unearned compensation related to restricted stock was $0.7 million at June 30, 2007.

Note 10 – Other Comprehensive Income

Comprehensive income was as follows:

	(In Thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net Income	$ 3,313	$ 2,967	$ 5,084	$ 4,780
Other Comprehensive Income:				
Change in Value of Equity Investments, Net of Income Tax	(23)	---	(14)	---
Other Comprehensive Income	(23)	---	(14)	---
Comprehensive Income	$ 3,290	$ 2,967	$ 5,070	$ 4,780

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 the Company included elsewhere herein and with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

Forward-Looking Statements

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

- statements as to expected financial condition, performance, prospects and earnings of the Company;
- statements regarding strategic plans for growth;
- statements regarding the amount and timing of rate increases and other regulatory matters;
- statements regarding expectations and events concerning capital expenditures;
- statements as to the Company’s expected liquidity needs during fiscal 2007 and beyond and statements as to the sources and availability of funds to meet its liquidity needs;
- statements as to expected rates, consumption volumes, service fees, revenues, margins, expenses and operating results;
- statements as to the Company’s compliance with environmental laws and regulations and estimations of the materiality of any related costs;
- statements as to the safety and reliability of the Company’s equipment, facilities and operations;
- statements as to financial projections;
- statements as to the ability of the Company to pay dividends;
- statements as to the Company’s plans to renew municipal franchises and consents in the territories it serves;
- expectations as to the amount of cash contributions to fund the Company’s retirement benefit plans, including statements as to anticipated discount rates and rates of return on plan assets;
- statements as to trends; and
- statements regarding the availability and quality of our water supply.

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

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

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

For an additional discussion of factors that may affect the Company's business and results of operations, see Item 1A. - Risk Factors in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

Overview

The 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 residential, irrigation, 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. Our utility companies are regulated as to rates charged to customers for water and wastewater services in New Jersey and Delaware, as to the quality of service provided and as to certain other matters. 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 59,300 retail, commercial and fire service 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 303,000. Through our subsidiary, USA-PA, we operate the water supply system and wastewater collection system for the City of Perth Amboy, New Jersey. Pinelands Water and Pinelands Wastewater provide water and wastewater services to residents in Southampton Township, New Jersey.

Tidewater and Southern Shores provide water services to approximately 31,000 retail customers in New Castle, Kent, and Sussex Counties, Delaware. Our TESI subsidiary provides regulated wastewater service to approximately 190 residential retail customers. White Marsh serves approximately 5,400 customers under unregulated operating contracts with various owners of small water and wastewater systems in Kent and Sussex Counties.

USA provides customers both inside and outside of our service territories a service line maintenance program called LineCare^{SM}. In the first quarter of 2007 we introduced a similar program for wastewater customers called LineCare+^{SM}.

The majority of our revenue is generated from regulated water services to customers in our franchise 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 since the end of the last billing cycle. Fixed service charges are billed in advance by our subsidiary, Tidewater, and are recognized in revenue as the service is provided.

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

Recent Developments

Rate Increases

Middlesex filed for an $8.9 million, or 16.5% base rate increase with the New Jersey Board of Public Utilities (BPU) on April 18, 2007. The requested increase is intended to recover increased costs of operations, maintenance, labor and benefits, purchased power, purchased water and taxes, as well as capital investment of approximately $23.0 million since rates were last established in 2005. We cannot predict whether the BPU will ultimately approve, deny, or reduce the amount of our request. We do not expect a decision on this matter until the first quarter of 2008.

In accordance with the tariff established for Southern Shores, an annual rate increase of 3% was implemented on January 1, 2007. The increase cannot exceed the lesser of the regional Consumer Price Index or 3%. The contracted rate schedule is set to expire on December 31, 2007. The Company is in the process of renegotiating the rate schedule.

Operating Results by Segment

The Company has two operating segments, Regulated and Non-Regulated. Our Regulated segment contributed 91% of total revenues and 95% of net income for the six months ended June 30, 2007 and 88% of total revenues and 92% of net income for the six months ended June 30, 2006. The discussion of the Company's results of operations is on a consolidated basis, and includes significant factors by subsidiary. 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, 2007

	(In Thousands) Three Months Ended June 30,					
	2007			2006		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	$ 19,776	$ 1,969	$ 21,745	$ 18,663	$ 2,374	$ 21,037
Operations and maintenance expenses	9,631	1,549	11,180	8,921	1,885	10,806
Depreciation expense	1,842	33	1,875	1,683	30	1,713
Other taxes	2,352	59	2,411	2,313	56	2,369
Operating income	5,951	328	6,279	5,746	403	6,149
Other income	414	---	414	143	---	143
Interest expense	1,672	26	1,698	1,784	24	1,808
Income taxes	1,553	129	1,682	1,365	152	1,517
Net income	$ 3,140	$ 173	$ 3,313	$ 2,740	$ 227	$ 2,967

Operating revenues for the three months ended June 30, 2007 increased $0.7 million, or 3.4%, from the same period in 2006 due to customer growth and rate relief in our Delaware service territories. The implementation of a 15% interim rate increase in June 2006 and the additional 12% final increase on February 28, 2007 provided an additional $1.0 million of revenues. Customer growth and higher consumption contributed $0.3 million of revenues. Fees charged to new customers for initial connection to our Delaware water systems were lower by $0.4 million as new residential and commercial development has slowed in our Delaware service territories. Consumption revenues in our Middlesex system were lower by $0.1 million. USA-PA's fees for managing the Perth Amboy water and wastewater systems were $0.3 million lower than the same period in 2006 due to lower pass-through charges. There was an equal and offsetting amount of lower expenses connected with this management contract.

While we anticipate continued organic customer and consumption growth, particularly in our Delaware systems, such growth and increased consumption cannot be guaranteed. Revenues from our water systems are highly dependent on the effects of weather, which may adversely impact future consumption despite customer growth. Customer growth in both the regulated water and wastewater businesses are dependent upon economic conditions surrounding new housing as well as developer construction timetables. Since early 2007, we have experienced a slow down in the rate of customer growth in Delaware. Appreciable organic customer and consumption growth is less likely in our New Jersey systems due to the extent to which our service territory is developed.

Operation and maintenance expenses increased $0.4 million or 3.5%. Labor costs were $0.2 million higher due wage increases and increased headcount to meet the needs of the growing Delaware customer base. Water production costs were $0.2 million higher due to increased sales in Delaware and higher unit costs for water, electric power and treatment costs in New Jersey.

Depreciation expense increased $0.2 million, or 9.5%, primarily as a result of a higher level of utility plant in service since June 30, 2006. The $0.2 million increase in other income resulted from the sale of non-utility property. Interest expense decreased by $0.1 million commensurate with lower short-term borrowings compared to the prior year period.

Income taxes increased $0.2 million as a result of increased operating income as compared to the prior year.

Net income increased by 11.7% from $3.0 million to $3.3 million. However, due to a higher number of shares outstanding, basic earnings per share were $0.25 for the three months ended June 30, 2007 compared to $0.25 for the same period in 2006. Diluted earnings per share were $0.24 and $0.25 for three months ended June 30, 2007 and 2006. Middlesex sold and issued 1.5 million shares of its common stock in November 2006.

Results of Operations – Six Months Ended June 30, 2007

	(In Thousands) Six Months Ended June 30,					
	2007			2006		
	Regulated	Non-Regulated	Total	Regulated	Non-Regulated	Total
Revenues	$ 36,462	$ 4,270	$ 40,732	$ 34,663	$ 4,604	$ 39,267
Operations and maintenance expenses	18,846	3,504	22,350	17,432	3,759	21,191
Depreciation expense	3,656	64	3,720	3,324	57	3,381
Other taxes	4,544	118	4,662	4,458	115	4,573
Operating income	9,416	584	10,000	9,449	673	10,122
Other income	748	---	748	313	---	313
Interest expense	3,030	51	3,081	3,273	50	3,323
Income taxes	2,357	226	2,583	2,082	250	2,332
Net income	$ 4,777	$ 307	$ 5,084	$ 4,407	$ 373	$ 4,780

Operating revenues for the six months ended June 30, 2007 increased $1.5 million, or 3.7%, from the same period in 2006. Water sales improved by $1.8 million in our Delaware water systems, of which $1.6 million was a result of a base rate increase that was granted to Tidewater. The rate increase was implemented in two parts; a 15% interim rate increase in June 2006 and an additional 12% final increase on February 28, 2007. Customer growth and higher consumption contributed $0.6 million of revenues. Fees charged to new customers for initial connection to our Delaware water systems were down $0.4 million for the reasons described above. Consumption revenues in our Middlesex system were lower by $0.2 million. USA-PA's fees for managing the Perth Amboy water and wastewater systems were $0.2 million lower than the same period in 2006 due mostly to lower pass-through charges. There was on equal and offsetting amount of lower expenses connected with this management contract. All other operations accounted for $0.1 million of additional revenues.

Operation and maintenance expenses increased $1.2 million, or 5.5%. Labor and benefit costs were $0.7 million higher due wage increases and increased headcount to meet the needs of the growing Delaware customer base. Pumping and water treatment costs increased a combined $0.3 million due to higher costs for electricity, chemicals and disposal of residuals. All other operating costs increased by $0.2 million.

Depreciation expense increased $0.3 million, or 10.0%, due to the higher level of utility plant in service, as discussed for the three-month results. The $0.4 million increase in other income resulted from the sale of non-utility property and higher earnings on our short-term investments. Interest expense decreased by $0.2 million commensurate with lower short-term borrowings compared to the prior year period.

Income taxes increased by $0.3 million as a result of increased operating income as compared to the prior year.

Net income increased by $0.3 million, or 6.4%. However, due to a higher number of shares outstanding, basic earnings per share were $0.38 for the six months ended June 30, 2007 compared to $0.40 for the same period in 2006. Diluted earnings per share were $0.37 and $0.40 for six months ended June 30, 2007 and 2006. Middlesex sold and issued 1.5 million shares of its common stock in November 2006.

Liquidity and Capital Resources

Cash flows from operations are largely dependent on three factors: the impact of weather on water sales, adequate and timely rate increases, and customer growth. The effect of those factors on net income is discussed in results of operations. For the six months ended June 30, 2007, cash flows from operating activities were $9.9 million, an increase of $2.5 million from the prior year. This increase was attributable to increased earnings, and the timing of payments to vendors. These higher cash flows were partially offset by an increase in the level of customer receivables. The $9.9 million of net cash flow from operations enabled us to fund all of our utility plant expenditures internally for the period.

The capital spending program for 2007 is currently estimated to be $32.1 million, which is lower by $22.5 million than the amount previously reported in our 2006 Annual Report on Form 10-K. This decrease is due primarily to the slowing of new residential and commercial development in our Delaware service territories. Included in our revised estimate for 2007 are: $12.1 million for additions and improvements to our Delaware water systems, including the construction of several storage tanks and the creation of new wells and interconnections. We expect to spend approximately $6.0 million for infrastructure additions and acquisitions for our Delaware wastewater systems. We expect to spend $3.9 million for the RENEW program, to clean and cement line approximately nine miles of unlined mains in the Middlesex system. There remains a total of approximately 120 miles of unlined mains in the 730-mile Middlesex system. The capital program also includes $10.1 million for scheduled upgrades to our existing systems in New Jersey. These upgrades consist of $1.9

million for improvements to existing plant, $5.6 million for mains, $0.7 million for service lines, $0.4 million for meters, $0.5 million for hydrants, and $1.0 million for other infrastructure needs.

To fund our capital program in 2007, we will utilize remaining proceeds from the November 2006 common stock offering, internally generated funds and funds available under existing New Jersey State Revolving Fund (SRF) program loans (currently, $3.5 million) and Delaware SRF program loans (currently, $2.1 million). These programs provide low cost financing for projects that meet certain water quality and system improvement benchmarks. We also expect to utilize short-term borrowings through $40.0 million of available lines of credit with several financial institutions. As of June 30, 2007, $0.8 million was outstanding against the lines of credit.

We periodically issue shares of common stock in connection with our dividend reinvestment and stock purchase plan (DRP). From time to time, we may issue additional equity to reduce short-term indebtedness, fund our capital program, and for other general corporate purposes.

We currently project that we may be required to expend between $70 million and $100 million for capital projects in 2008 and 2009 combined. To the extent possible and because of the favorable interest rates available to regulated water utilities, we will finance our capital expenditures under SRF loan programs. We also expect to use internally generated funds, proceeds from the DRP and proceeds from additional common stock offerings, as needed to maintain an appropriate capital structure balance.

In addition to the effect of weather conditions on revenues, increases in certain operating costs will impact our liquidity and capital resources. As described above, we have recently received rate relief for Tidewater and Southern Shores. Changes in operating costs and timing of capital projects will have an impact on revenues, earnings, and cash flows and will also impact the timing of filings for future rate increases.

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

Item 3. Quantitative and Qualitative Disclosures of Market Risk

The Company is subject to the risk of fluctuating interest rates in the normal course of business. Our capital program is partially financed with 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 Amortizing Secured Notes and First Mortgage Bonds, which have maturity dates ranging from 2009 to 2038. Over the next twelve months, approximately $2.6 million of the current portion of sixteen existing long-term debt instruments will mature. Applying a hypothetical change in the rate of interest of 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 changes in the Company's internal controls or in other factors, which materially affected internal controls during the quarter ended June 30, 2007.

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

Reference is made to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 and Quarterly Report on Form 10-Q filed for the period ended March 31, 2007. Note 7 to the unaudited Condensed Consolidated Financial Statements for the period ended June 30, 2007, included in Part I of this Quarterly Report on Form 10-Q, is hereby incorporated by reference.

Item 1A. Risk Factors

We expect our revenues to increase from customer growth in Delaware for our regulated water operations and, to a lesser degree, our regulated wastewater operations as a result of the anticipated construction and sale of new housing units in the territories we serve. Although the residential building market in Delaware has experienced growth in recent years, this growth may not continue in the future. If housing starts in the Delaware territories we serve decline significantly as a result of economic conditions or otherwise, our revenue growth may not meet our expectations and our financial results could be negatively impacted.

Except as described above, information about risk factors for the six months ended June 30, 2007 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, 2006.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None.

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

1. ELECTION OF DIRECTORS:
   Nominees for Class II term expiring 2010

	FOR	%	WITHHOLD	%
Annette Catino	10,662,775	93.6	729,157	6.4
Walter G. Reinhard	10,660,977	93.6	730,955	6.4

2. Approval of an Amendment to the Restated Certificate of Incorporation to increase the total authorized Common Stock, No par Value, from 20,000,00 to 40,000,000 shares

FOR	%	AGAINST	%	ABSTAIN	%
10,648,916	94.2	659,727	5.8	83,289	0.0

Item 5. Other Information

None.

Item 6. Exhibits

10.13(h) Employment Agreement between Middlesex Water Company and Bernadette M. Sohler

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

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.

32 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.

32.1 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.

SIGNATURES

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

MIDDLESEX WATER COMPANY

By: /s/ A. Bruce O'Connor
A. Bruce O'Connor
Vice President and
Chief Financial Officer

Date: August 7, 2007

CHANGE IN CONTROL TERMINATION AGREEMENT

This Change in Control Termination Agreement (the "Agreement") is entered into as of April 1, 2007, between Middlesex Water Company, a New Jersey corporation, with its principal place of business located at 1500 Ronson Road, P.O. Box 1500, Iselin, New Jersey 08830-0452, (the "Company"), and Bernadette M. Sohler, residing at 62 Timberlane Drive, Colonia, New Jersey 07067, (referred to as "You" in this Agreement).

Recitals

A. The Company considers it essential to the best interests of its stockholders to foster the continuous employment of key management personnel. In this connection, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held Companies, the possibility of a Change In Control may exist. This possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

B. The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to the assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change In Control of the Company.

C. To induce you to remain in the employ of the Company, and in consideration of your agreement set forth below, the Company agrees that you shall receive the severance benefits set forth in this Agreement in the event your employment with the Company is terminated or "constructively terminated" as defined herein in connection with a "Change In Control of the Company" (as defined in Section 2 below) under the circumstances described below. This Agreement is meant to supersede any other specific written agreements that may have been entered into between yourself and the Company concerning termination of employment.

Therefore, in consideration of your continued employment and the parties' agreement to be bound by the terms contained in this Agreement, the parties agree as follows:

1. **Term of Agreement**. This Agreement shall commence as of April 1, 2007 and shall continue in effect through December 31, 2007. However, commencing on December 31, 2007, and each December 31 afterwards, the term of this Agreement shall automatically be extended for one additional year unless, no later than the preceding November 1, the Company shall have given notice that

it does not wish to extend this Agreement. Notwithstanding the foregoing, if a Change In Control of the Company shall be proposed to occur or have occurred during the original or any extended term of this Agreement, this Agreement shall continue in effect until your termination of employment with the Company or its successor or when all amounts due under this Agreement following a termination have been paid, whichever is later.

2. **Change In Control**. No benefits shall be payable under this Agreement unless there shall have been a Change In Control of the Company, as set forth below. For purposes of this Agreement, a "Change In Control" of the Company shall be deemed to occur if any party or group acquires beneficial ownership of 20 percent or more of the voting shares of the Company; or if shareholder approval is required for a transaction involving the acquisition of the Company through the purchase or exchange of the stock or assets of the Company by merger or otherwise; or if one-third or more of the Board elected in a 12-month period or less are so elected without the approval of a majority of the Board as constituted at the beginning of such period; or a liquidation or dissolution of Company.

3. **Termination Following Change In Control**. If any of the events described in Section 2 above constituting a Change In Control of the Company shall have occurred, unless the termination is (A) because of your death, Disability or Retirement, (B) by the Company for Cause, or (C) by you other than for Good Reason, on the subsequent termination or "Constructive Termination" of your employment during the term of this Agreement: (i) you shall be entitled to the benefits provided in subsection 4.3 below if such termination occurs on or before the third anniversary of the Change in Control or (ii) you shall be entitled to the benefits provided in subsection 4.4 below if such termination occurs after the third anniversary of the Change in Control.

3.1 **Disability; Retirement**. If, as a result of your incapacity due to physical or mental illness, you shall have been absent from the full-time performance of your duties with the Company for 6 consecutive months, and within 30 days after written notice of termination is given you shall not have returned to the full-time performance of your duties, your employment may be terminated for "Disability." Termination by the Company or you of your employment based on "Retirement" shall mean termination in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees or in accordance with any retirement arrangement established with your consent with respect to you.

3.2 **Cause**. Termination by the Company of your employment for "Cause" shall mean termination on:

3.2.1 The willful and continued failure by you to substantially perform your duties with the Company as such employment was performed by you prior to the Change of Control (other than any such failure resulting from your incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance by you of a Notice of Termination for Good Reason as defined in Subsections 3.4 and 3.3, respectively) after a written demand for substantial performance is delivered to you by the Board, which demand specifically identifies the manner in which the Board believes that you have not substantially performed your duties; or

3.2.2 The willful act by you in conduct that is demonstrably and materially injurious to the Company, and which the Board deems to cause or will cause substantial economic damage to the Company or injury to the business reputation of the Company, monetarily or otherwise. For purposes of this Subsection, no act, or failure to act, on your part shall be deemed “willful" unless done, or omitted to be done, by you not in good faith and without a reasonable belief that your action or omission was in the best interest of the Company. Notwithstanding the foregoing, you shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the Board), finding that in the good faith opinion of the Board you were guilty of conduct set forth above in clauses 3.2.1 or 3.2.2 of the first sentence of this Subsection and specifying the particulars in detail.

3.3 **Good Reason**. You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without your express written consent, the occurrence in connection with a Change In Control of the Company of any of the following circumstances unless, in the case of paragraphs 3.3.1, 3.3.5, 3.3.6, 3.3.7, or 3.3.8, the circumstances are fully corrected prior to the Date of Termination specified in the Notice of Termination, as defined in Subsections 3.5 and 3.4, respectively, given in respect of them. If you have Good Reason for your termination you shall be considered to have been “Constructively Terminated” by the Company under the following circumstances:

3.3.1 The assignment to you of any duties inconsistent with your status and position (i) prior to the Change In Control where such change is a direct result of any pending Change in Control; or (ii) as such status exists immediately prior to the Change In Control of the Company, or (iii) a substantial adverse alteration in the nature or status of your responsibilities from those in effect immediately prior to the Change In Control of the Company whichever is applicable;

3.3.2 A reduction by the Company in your annual base salary as in effect on this date or as the same may be increased from time to time irrespective of future Company policies including any across-the-board salary reductions similarly affecting all key employees of the Company;

3.3.3 Your relocation, without your consent, to a location not within twenty-five (25) miles of your present office or job location, except for required travel on the Company's business to an extent substantially consistent with your present business travel obligations;

3.3.4 The failure by the Company, without your consent, to pay to you any part of your current compensation, or to pay to you any part of an installment of deferred compensation under any deferred compensation program of the Company, within fourteen (14) days of the date the compensation is due;

3.3.5 The failure by the Company to continue in effect any bonus to which you were entitled, or any compensation plan in which you participate (i) prior to the Change in Control where such change is a direct result of any pending Change In Control, or (ii) immediately prior to the Change In Control of the Company that is material to your total compensation, including but not limited to the Company's Restricted Stock Plan, 401(k) Plan, and Benefit Plans, or any substitute plans adopted prior to the Change In Control of the Company, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to the plan, or the failure by the Company to continue your participation in it (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed at the time of the Change In Control;

3.3.6 The failure by the Company to continue to provide you with (i) benefits substantially similar to those enjoyed by you under any of the Company's life insurance, medical, health and accident, or disability plans in which you were participating at the time of the Change In Control of the Company was in effect for the employees of the Company generally at the time of the Change In Control, (ii) the failure to continue to provide you with a Company automobile or allowance in lieu of it at the time of the Change In Control of the Company, (iii) the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits or deprive you of any material fringe benefit enjoyed by you at the time of the Change In Control of the Company, or (iv) the failure by the Company to provide you with the number of paid vacation days to which you are entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change In Control of the Company;

3.3.7 The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 5 of this Agreement; or

3.3.8 Any purported termination of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of Subsection 3.4 below (and, if applicable, the requirements of Subsection 3.2 above); for purposes of this Agreement, no such purported termination shall be effective.

3.4 **Notice of Termination**. Any purported termination of your employment by the Company or by you shall be communicated by written Notice of Termination to the other party to this Agreement in accordance with Section 6 of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied on, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated. Your rights to terminate your employment pursuant to this Subsection shall not be affected by your incapacity due to physical or mental illness. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason under this Agreement. In the event you deliver Notice of Termination based on circumstances set forth in Paragraphs 3.3.1, 3.3.5, 3.3.6, 3.3.7, or 3.3.8 above, which are fully corrected prior to the Date of Termination set forth in your Notice of Termination, the Notice of Termination shall be deemed withdrawn and of no further force or effect.

3.5 **Date of Termination, etc**. "Date of Termination" shall mean (A) if your employment is terminated for Disability, 30 days after Notice of Termination is given (provided that you shall not have returned to the full-time performance of your duties during such 30-day period), and (B) if your employment is terminated pursuant to Subsection 3.2 or 3.3 above or for any other reason (other than Disability), the date specified in the Notice of Termination (which, in the case of a termination pursuant to Subsection 3.2 above shall not be less than 30 days, and in the case of a termination pursuant to Subsection 3.3 above shall not be less than 15 nor more than 60 days, respectively, from the date the Notice of Termination is given). However, if within 15 days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this provision), the party receiving the Notice of Termination notifies the other party that a dispute exists concerning the termination, then the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties, by a binding arbitration award, or by a final judgment, order, or decree of a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal has expired and no appeal has been perfected). The Date of Termination shall be extended by a notice of dispute only if the notice is given in good faith and the party giving the notice pursues the resolution of the dispute with reasonable diligence. Notwithstanding the pendency of any such dispute, the Company will continue to pay you your full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, base salary) and continue you as a participant in all compensation, benefit, and insurance plans in which you were participating when the notice giving rise to the dispute was given, until the dispute is finally resolved in accordance with this Subsection. Amounts paid under this Subsection are in addition to all other amounts due under this Agreement and shall not be offset against or reduce any other amounts due under this Agreement.

4. **Compensation on Termination or During Disability**. Following a Change In Control of the Company, as defined by Section 2, on termination of your employment or during a period of disability you shall be entitled to the following benefits:

4.1 During any period that you fail to perform your full-time duties with the Company as a result of incapacity due to physical or mental illness, you shall continue to receive your base salary at the rate in effect at the commencement of any such period, together with all amounts payable to you under any compensation plan of the Company during the period, until this Agreement is terminated pursuant to section 3.1 above. Thereafter, or in the event your employment shall be terminated by the Company or by you for Retirement, or by reason of your death, your benefits shall be determined under the Company's retirement, insurance, and other compensation programs then in effect in accordance with the terms of those programs.

4.2 If your employment shall be terminated by the Company for Cause or by you other than for Good Reason, Disability, death, or Retirement, the Company shall pay you your full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, plus all other amounts and benefits to which you are entitled under any compensation plan of the Company at the time the payments are due. The Company shall have no obligations to you under this Agreement.

4.3 On or before the third anniversary of the Change In Control, if your employment by the Company shall be terminated (a) by the Company other than for Cause, Retirement or Disability, or (b) by you for Good Reason (as defined in Section 3.3 herein), then you shall be entitled to the benefits provided below:

4.3.1 The Company shall pay you your full salary through the Date of Termination at the rate in effect at the time notice of Termination is given, plus all other amounts and benefits to which you are entitled under any compensation plan of the Company, at the time the payments are due, except as otherwise provided below.

4.3.2 In lieu of any further salary payments to you for periods subsequent to the Date of Termination, the Company shall pay to you, as severance pay the following: (i) a lump sum severance payment equal to three (3) times the average of your Compensation for the five (5) years prior to the occurrence of the circumstance giving rise to the notice of Termination (or if employed less than 5 years, the average annualized compensation of the period worked to date), plus (ii) the amounts in the forms set forth in paragraphs 4.3.3, 4.3.4 and 4.3.5 (the "Severance Payments"). In addition to the Severance Payments, the Company shall pay to you an additional amount equal to the amount of the Excise Tax, if any, that is due or determined to be due under Section 4999 of the Internal Revenue Code of 1986, as amended, resulting from the Severance Payments or any other payments under this Agreement or any other agreement between you and the Company and an amount sufficient to pay the taxes on any such Excise Taxes (the "Gross-up").

4.3.3 The Company shall continue coverage for you and your dependents under any health or welfare benefit plan under which you and your dependents were participating prior to the Change in Control for a period ending on the earlier to occur of (i) the date you become covered by a new employer's health and welfare benefit plan, (ii) the date you become covered by Medicare, or (iii) the date which is thirty-six (36) months from the date of Termination. The coverage for your dependents shall end earlier than (i), (ii) or (iii) if required by the health or welfare benefit plan due to age eligibility.

4.3.4 The Company shall pay to you any deferred compensation, including, but not limited to deferred bonuses, allocated or credited to you or your account as of the Date of Termination.

4.3.5 Outstanding stock options or Restricted Stock grants, if any, granted to you under the Company's Stock Plans which are not vested on Termination shall immediately vest.

4.3.6 Where you shall prevail in any such action, the Company shall also pay to you all legal and accounting fees and expenses incurred by you as a result of the termination (including all such fees and expenses incurred by you as a result of the termination (including all such fees and expenses, if any, incurred in contesting or disputing any termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Code Section 4999 to any payment or benefit provided under this Agreement) or any other agreement with the Company.

4.3.7 The amount of Severance Payments and any Gross-up due to you under this or any other relevant agreement with the Company shall be determined by a third party agreed to by you and the Company. If you cannot agree on a third party, then both third parties shall determine the amounts due under this Agreement. If the third parties do not agree on the amount to be paid to you, then either party may submit the calculation of the amounts which are in dispute to Arbitration in accordance with this Agreement. The payments provided for in Paragraphs 4.3.2, 4.3.4 and 4.3.5 above, shall be made no later than the thirtieth (30^{th}) day following the Date of Termination. However, if the amounts of the payments cannot be finally determined on or before that day, the Company shall pay to you on that day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of those payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount can be determined but in no event later than the 30th day after the Date of Termination. In the event that the amount of the estimate payments exceeds the amount subsequently determined to have been due, the excess shall constitute a loan by the Company to you payable on the 30th day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

4.4 After the third anniversary of the Change In Control, if your employment by the Company shall be terminated (a) by the Company other than for Cause, Retirement or Disability, or (b) by you for Good Reason (as defined in Section 3.3 herein), then you shall be entitled to the benefits provided in Section 4.3 above and as otherwise provided under this Agreement except that sub paragraph 4.3.2(i) shall read: (i) a lump sum severance payment equal to one and one half (1.5) times the average of your Compensation for the five (5) years prior to the occurrence of the circumstance giving rise to the notice of Termination (the “Termination Payment”).

4.5 For purposes of this Agreement, “Compensation” shall mean the aggregate remuneration paid by the Company to you during a calendar year, including bonuses, awards under the Company’s Restricted Stock Plan, benefits under employee benefit plans, automobile allowances or any fees paid to you as remuneration for serving as a Director of the Company.

4.6 You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by you to the Company, or otherwise except as specifically provided in this Section 4.

4.7 In addition to all other amounts payable to you under this Section 4, you shall be entitled to receive all qualified benefits payable to you under the Company's 401(k) Plan, Defined Benefit Plan and any other plan or agreement relating to retirement benefits in accordance with the terms of those plans.

5. **Successors; Binding Agreement**.

5.1 The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain the assumption and agreement prior to the effectiveness of any succession shall be a breach of this agreement and shall entitle you to compensation from the Company in the same amount and on the same terms as you would have been entitled to under this Agreement if you had terminated your employment for Good Reason following a Change In Control of the Company, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

5.2 This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, heirs, distributees, and legatees. If you should die while any amount would still be payable to you if you had continued to live, all such amounts, unless otherwise provided in this Agreement, shall be paid in accordance with the terms of this

Agreement to your legatee or other designee or, if there is no such designee, to your estate.

6. **Notice**. For the purpose of this Agreement, all notices and other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company, or to such other address as either party may have furnished to the other in writing in accordance this Agreement, except that notice of a change of address shall be effective only on receipt.

7. **Miscellaneous**

7.1 No provision of this Agreement may be modified, waived, or discharged unless the waiver, modification, or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board.

7.2 No waiver by either party to this Agreement at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

7.3 No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this Agreement have been made by either party that are not expressly set forth in this Agreement.

7.4 Nothing in this Agreement is intended to reduce any benefits payable to you under any other agreement you may have with the Company or in any Company plan in which you may participate.

7.5 The validity, interpretation, construction, and performance of this Agreement shall be governed by the law of New Jersey without reference to its conflict of laws principles.

7.6 All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for shall be paid net of any applicable withholding or deduction required under federal, state or local law.

7.7 The obligations of the Company under Section 4 shall survive the expiration of the term of this Agreement.

8. **Validity**. The validity or enforceability of any provision of this Agreement shall not affect the validity or unenforceability of any other provision of this Agreement, which shall remain in full force and effect.

9. **Counterparts**. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

10. **Arbitration**. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in New Jersey in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek specific performance of your right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection this Agreement.

11. **Entire Agreement**. This Agreement sets forth the entire understanding of the parties with respect to its subject matter and supersedes all prior written or oral agreements or understandings with respect to the subject matter.

In witness whereof, the parties have executed this Agreement as of the day and year first above written.

MIDDLESEX WATER COMPANY

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

ATTEST:

/s/ Kenneth J. Quinn
Kenneth J. Quinn
Vice President and
Secretary

/s/ Bernadette M. Sohler
Bernadette M. Sohler

Exhibit 31

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

I, Dennis W. Doll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Middlesex Water Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have;

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

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

Date: August 7, 2007

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have;

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

/s/ A. Bruce O'Connor

A. Bruce O'Connor
Chief Financial Officer

Date: August 7, 2007

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: August 7, 2007

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. §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: August 7, 2007

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.