

MIDDLESEX WATER CO  
Form 424B2  
June 09, 2010

**Filed Pursuant to Rule 424(b)(2)  
Registration No.: 333-166425**

**PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED MAY 13, 2010)**

**1,700,000 Shares**

**Common Stock**

We are offering up to 1,700,000 shares of our common stock in this offering.

Our common stock is listed for trading on the Nasdaq Global Select Market under the symbol MSEX. The last sale price as reported on the Nasdaq Global Select Market on June 8, 2010, was \$15.21 per share.

We have granted the underwriters an option, exercisable within 30 days after the date of this prospectus supplement, to purchase up to 255,000 additional shares of common stock upon the same terms to cover over-allotments, if any.

**Investing in our common stock involves risk. See Risk Factors on page S-5.**

	Per Share	Total
Public offering price	\$ 15.21	\$ 25,857,000
Underwriting discounts and commissions	\$ 0.60	\$ 1,020,000
Proceeds, before expenses, to us	\$ 14.61	\$ 24,837,000

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

Janney Montgomery Scott LLC, on behalf of the underwriters, expects to deliver the shares on or about June 11, 2010.

**Janney Montgomery Scott**

# **Edward Jones**

The date of this prospectus supplement is June 8, 2010.

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**You should rely only on the information contained in, or incorporated by reference into, this document. We have not, and the underwriters have not, authorized anyone to give you different or additional information. You should not assume that the information contained in, or incorporated by reference into, this document is accurate as of any date after the respective dates of the documents containing the information. Our business, financial condition, results of operations and prospects may have changed since that date. This document is not an offer to sell, nor is it seeking an offer to buy shares of our common stock in any jurisdiction in which the offer or sale is not permitted.**

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## **ABOUT THIS PROSPECTUS SUPPLEMENT**

For purposes of this prospectus supplement and the accompanying prospectus, unless the context otherwise indicates, when we refer to the Company, us, we, or ours, we are describing ourselves, Middlesex Water Company, together with our subsidiaries.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to, updates and changes information contained in the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information, including information about other types of offerings of our common stock that we may make under the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, you should rely on the information in this prospectus supplement.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents we reference in the section titled Incorporation of Certain Information by Reference. The information incorporated by reference is considered part of this prospectus supplement, and information we file later with the Securities and Exchange Commission, or the SEC, may automatically update and supersede this information.

To avoid repeating information in this prospectus supplement that we have already filed with the SEC, we have incorporated by reference the filings (File No. 000-00422) listed below. This information is considered a part of this prospectus supplement. These documents are as follows:

- Our Annual Report on Form 10-K for the year ended December 31, 2009;
- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010;
- Our Current Report on Form 8-K filed with the SEC on March 18, 2010;
- Our Current Report on Form 8-K filed with the SEC on March 26, 2010;
- Our Current Report on Form 8-K filed with the SEC on April 30, 2010;
- Our Current Report on Form 8-K filed with the SEC on May 26, 2010;
- Our Current Report on Form 8-K filed with the SEC on May 27, 2010; and

The items of our proxy statement on Schedule 14A for our 2010 Annual Meeting of Shareholders that have been incorporated by reference into our most recent Annual Report on Form 10-K.

All documents that we file after the date of the initial registration statement of which this prospectus supplement is a part pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), prior to the effectiveness of the registration statement as well as the date of this prospectus supplement and before the termination of the offering of our securities, shall be deemed to be incorporated by reference into this prospectus supplement. All future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the termination of the offering, shall be deemed to be incorporated by reference into this prospectus supplement. Unless specifically stated to the contrary, none of the information that we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus supplement.

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## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this prospectus supplement 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, as amended. Middlesex Water Company (the Company) intends that these statements be covered by the safe harbors created under those laws. These statements include, but are not limited to:

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

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

- the effects of general economic conditions;
- increases in competition in the markets served by the Company;
- the ability of the Company to control operating expenses and to achieve efficiencies in its operations;
- the availability of adequate supplies of water;
- actions taken by government regulators, including decisions on 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;

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acts of war or terrorism;  
significant changes in housing starts in Delaware;  
the availability and cost of capital resources;  
the ability to translate Preliminary Survey & Investigation charges into viable projects; and  
other factors discussed elsewhere in this prospectus supplement.

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 prospectus. 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 prospectus 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 section entitled "Risk Factors".

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## SUMMARY

*This summary highlights selected information appearing elsewhere or incorporated by reference in this prospectus supplement and accompanying prospectus and may not contain all of the information that is important to you. This prospectus supplement and the accompanying prospectus include or incorporate by reference information about the shares we are offering as well as information regarding our business and detailed financial data. You should read this prospectus supplement, the accompanying prospectus and any information incorporated by reference herein and therein in their entirety before making an investment decision.*

*The terms Company, we, our, and us refer to Middlesex Water Company and its subsidiaries, including Tidewater Utilities, Inc. ( Tidewater ), and Tidewater's wholly-owned subsidiaries, Southern Shores Water Company, LLC ( Southern Shores ) and White Marsh Environmental Systems, Inc. ( White Marsh ), Tidewater Environmental Services, Inc. ( TESI ), Pinelands Water Company ( Pinelands Water ), Pinelands Wastewater Company ( Pinelands Wastewater ), Utility Service Affiliates, Inc. ( USA ), Utility Service Affiliates (Perth Amboy), Inc. ( USA-PA ), and Twin Lakes Utilities, Inc. ( Twin Lakes ). The term you refers to a prospective investor. The term Middlesex System refers to our central New Jersey water utility. To understand the offering fully and for a more complete description of the offering you should read this entire document carefully, including especially the Risk Factors section, as well as the documents to which we have referred you in the section entitled Where You Can Find More Information.*

## Our Company

Middlesex Water Company has operated as a water utility in New Jersey since 1897, in Delaware, through our wholly-owned subsidiary, Tidewater, since 1992 and in Pennsylvania, through our wholly-owned subsidiary, Twin Lakes, since 2009. We are in the business of collecting, treating, distributing and selling water for domestic, commercial, municipal, industrial and fire protection purposes. We also operate a New Jersey municipal water and wastewater system under contract and provide wastewater services in New Jersey and Delaware through our subsidiaries. We are regulated as to the rates charged to customers for water and wastewater services, as to the quality of water service we provide and as to certain other matters. We are regulated in New Jersey by the New Jersey Board of Public Utilities (the NJBPU), in Delaware by the Delaware Public Service Commission (the DEPSC), and in Pennsylvania by the Pennsylvania Public Utilities Commission (the PAPUC). Only our USA, USA-PA and White Marsh subsidiaries are not regulated utilities.

Our Middlesex System provides water services to approximately 59,800 retail customers, primarily in central New Jersey. The Middlesex System also provides water service under contract to municipalities in central New Jersey with a total population of approximately 303,000. Through our subsidiary, USA-PA, we operate the water supply system and wastewater system for the City of Perth Amboy, New Jersey. Our other New Jersey subsidiaries, Pinelands Water and Pinelands Wastewater, provide water and wastewater services to residents in Southampton Township, New Jersey. Our USA subsidiary offers residential customers in New Jersey and Delaware a service line maintenance program called Linecare<sup>SM</sup>.

Our Delaware subsidiaries, Tidewater and Southern Shores, provide water services to approximately 33,200 retail customers in New Castle, Kent and Sussex Counties, Delaware. Our TESI subsidiary provides regulated wastewater service to approximately 1,900 residential retail customers in Delaware. Our White Marsh subsidiary serves an additional 7,200 customers under unregulated operating contracts with various owners of small water and wastewater systems in Kent and Sussex Counties.

Our Twin Lakes subsidiary provides water system services to 120 retail customers in Shohola, Pennsylvania.

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## **Our Strategy**

Our strategy is focused on four key areas:

Serve as a trusted and continually-improving provider of safe, reliable and cost-effective water, wastewater and related services.

Provide a comprehensive suite of water and wastewater solutions in the continually developing Delaware market that results in profitable growth.

Pursue profitable growth in our states of New Jersey and Delaware as well as in additional states.

Invest in products, services and other viable opportunities that complement our core competencies.

## **Corporate Information**

Our executive offices are located at 1500 Ronson Road, Iselin, New Jersey 08830-3020. Our telephone number is (732) 634-1500 and our website is located at *www.middlesexwater.com*. The information on our website is not part of this prospectus.

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## The Offering

Common Stock offered by us	1,700,000 shares
Common Stock to be outstanding immediately after this offering <sup>(1)</sup>	15,292,770 shares
Nasdaq Global Select symbol	MSEX
Annualized dividend rate	\$0.72 per share

### Use of proceeds

We intend to use all of the net proceeds to reduce the balance of our outstanding short-term borrowings. See Use of Proceeds.

### Risk Factors

Investing in our common stock involves risks. See Risk Factors beginning on page 10 of our Annual Report on Form 10-K for the year ended December 31, 2009 for a discussion of factors that you should consider before you decide to invest in shares of our common stock.

<sup>(1)</sup> The shares of our common stock to be outstanding after the offering is based on 13,592,770 shares outstanding as of June 8, 2010.

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The following table sets forth summary consolidated financial data for the periods indicated. The summary consolidated financial data as of March 31, 2010 and 2009, and for the three-month periods ended March 31, 2010 and 2009 have been derived from our unaudited financial statements which have been incorporated by reference in this prospectus supplement, and in the opinion of management, contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2010 and 2009, and the results of operations for the three-month periods ended March 31, 2010 and 2009. The summary consolidated financial data as of December 31, 2009, 2008 and 2007, and for each of the one-year periods ended December 31, 2009, 2008 and 2007 have been derived from our audited financial statements, which have been incorporated by reference in this prospectus supplement. The information set forth below should be read in conjunction with the Consolidated Financial Statements and accompanying Notes to Consolidated Financial Statements incorporated by reference in this prospectus supplement. Historical operating results are not necessarily indicative of results for any other period and operating results for the three months ended March 31, 2010, are not necessarily indicative of operating results which may be expected for the full year.

## Income Statement Data:

	Three Months ended March 31,		Years ended December 31,		
	2010	2009	2009	2008	2007
	(Unaudited)				
	(In thousands, except per share data)				
Operating Revenues	\$ 21,645	\$ 20,583	\$ 91,243	\$ 91,038	\$ 86,114
Operating Expenses	18,357	17,581	71,082	67,019	63,443
Interest Expense	1,424	1,392	6,750	7,057	6,619
Net Income	1,560	1,361	9,977	12,208	11,843
Earnings Applicable to Common Stock	1,508	1,309	9,769	11,990	11,595
Earnings Per Share of Common Stock:					
Basic	\$ 0.11	\$ 0.10	\$ 0.73	\$ 0.90	\$ 0.88
Diluted	\$ 0.11	\$ 0.10	\$ 0.72	\$ 0.89	\$ 0.87
Dividends Paid Per Share of Common Stock	\$ 0.1800	\$ 0.1775	\$ 0.7130	\$ 0.7030	\$ 0.6930
Average Number of Shares Outstanding:					
Basic	13,538	13,413	13,454	13,317	13,203
Diluted	13,801				