

MIDDLESEX WATER CO  
Form 10-Q/A  
August 06, 2008

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q/A

(Mark One)

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

For the quarterly period ended March 31, 2008

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  
(State of incorporation)

22-1114430  
(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, a non-accelerated filer or a smaller reporting company.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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 May 2, 2008: Common Stock, No Par Value: 13,266,186 shares outstanding.

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Explanatory Note

This amendment on Form 10-Q/A reflects the restatement of the unaudited Condensed Consolidated Balance Sheets of Middlesex Water Company (the Company) as of March 31, 2008 and the Condensed Consolidated Statement of Capital Stock and Long-term Debt as of March 31, 2008, to correct the accounting and disclosure for Long-term Debt and the Current Portion of Long-Term Debt, as discussed in Note 11 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) included in Part I - Item 1. In addition, the Company has amended Part I - Item 4 to update the disclosures regarding disclosure controls and procedures.

The restatement affects only Part I - Items 1, 3 and 4, and Part II - Items 1 and 6. Except for the foregoing amended items, all of the information in this Form 10-Q/A is as of May 6, 2008, the filing date of the original Form 10-Q for the quarter ended March 31, 2008, and has not been updated for the events subsequent to that date other than for the matter discussed above.

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

	Three Months Ended March 31,	
	2008	2007
Operating Revenues	\$ 20,855	\$ 18,988
Operating Expenses:		
Operations	11,102	10,192
Maintenance	996	978
Depreciation	1,931	1,845
Other Taxes	2,479	2,251
Total Operating Expenses	16,508	15,266
Operating Income	4,347	3,722
Other Income (Expense):		
Allowance for Funds Used During Construction	103	112
Other Income	241	226
Other Expense	(46)	(5)
Total Other Income, net	298	333
Interest Charges	1,517	1,384
Income before Income Taxes	3,128	2,671
Income Taxes	1,124	902
Net Income	2,004	1,769
Preferred Stock Dividend Requirements	62	62
Earnings Applicable to Common Stock	\$ 1,942	\$ 1,707
Earnings per share of Common Stock:		
Basic	\$ 0.15	\$ 0.13
Diluted	\$ 0.15	\$ 0.13
Average Number of Common Shares Outstanding:		
Basic	13,254	13,176
Diluted	13,585	13,507
Cash Dividends Paid per Common Share	\$ 0.1750	\$ 0.1725

See Notes to Condensed Consolidated Financial Statements

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

ASSETS		March 31, 2008 (Restated - See Note 11)	December 31, 2007
UTILITY PLANT:	Water Production	\$ 99,220	\$ 98,942
	Transmission and Distribution	267,052	264,939
	General	26,022	24,874
	Construction Work in Progress	13,080	9,833
	TOTAL	405,374	398,588
	Less Accumulated Depreciation	66,363	64,736
	UTILITY PLANT - NET	339,011	333,852
CURRENT ASSETS:	Cash and Cash Equivalents	1,462	2,029
	Accounts Receivable, net	8,099	8,227
	Unbilled Revenues	4,364	4,609
	Materials and Supplies (at average cost)	1,273	1,205
	Prepayments	995	1,363
	TOTAL CURRENT ASSETS	16,193	17,433
DEFERRED CHARGES	Unamortized Debt Expense	2,862	2,884
	Preliminary Survey and Investigation		
AND OTHER ASSETS:	Charges	5,964	5,283
	Regulatory Assets	15,868	16,090
	Operations Contracts Fees Receivable	4,216	4,184
	Restricted Cash	6,199	6,418
	Non-utility Assets - Net	6,149	6,183
	Other	347	348
	TOTAL DEFERRED CHARGES AND OTHER ASSETS	41,605	41,390
	TOTAL ASSETS	\$ 396,809	\$ 392,675
CAPITALIZATION AND LIABILITIES			
CAPITALIZATION:	Common Stock, No Par Value	\$ 106,025	\$ 105,668
	Retained Earnings	27,064	27,441
	Accumulated Other Comprehensive Income, net of tax	57	69
	TOTAL COMMON EQUITY	133,146	133,178
	Preferred Stock	3,958	3,958
	Long-term Debt	116,423	131,615
	TOTAL CAPITALIZATION	253,527	268,751
CURRENT LIABILITIES:	Current Portion of Long-term Debt	17,768	2,723
	Notes Payable	9,000	6,250
	Accounts Payable	4,535	6,477

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	Accrued Taxes	9,697	7,611
	Accrued Interest	975	1,916
	Unearned Revenues and Advanced Service Fees	758	758
	Other	1,446	1,274
	<b>TOTAL CURRENT LIABILITIES</b>	<b>44,179</b>	<b>27,009</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)</b>			
<b>DEFERRED CREDITS</b>	Customer Advances for Construction	21,796	21,758
	Accumulated Deferred Investment Tax Credits	1,441	1,461
<b>AND OTHER LIABILITIES:</b>	Accumulated Deferred Income Taxes	18,096	17,940
	Employee Benefit Plans	13,871	13,333
	Regulatory Liability - Cost of Utility Plant Removal	5,876	5,726
	Other	1,337	459
	<b>TOTAL DEFERRED CREDITS AND OTHER LIABILITIES</b>	<b>62,417</b>	<b>60,677</b>
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>		<b>36,686</b>	<b>36,238</b>
	<b>TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ 396,809</b>	<b>\$ 392,675</b>

See Notes to Consolidated Financial Statements.



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

	Three Months Ended March 31,	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 2,004	\$ 1,769
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,088	1,995
Provision for Deferred Income Taxes and ITC	123	128
Equity Portion of AFUDC	(54)	(54)
Cash Surrender Value of Life Insurance	172	(56)
Changes in Assets and Liabilities:		
Accounts Receivable	128	(209)
Unbilled Revenues	245	(65)
Materials & Supplies	(68)	(119)
Prepayments	368	319
Other Assets	(213)	(210)
Accounts Payable	(1,006)	(468)
Accrued Taxes	2,092	2,369
Accrued Interest	(941)	(984)
Employee Benefit Plans	678	706
Unearned Revenue & Advanced Service Fees	-	8
Other Liabilities	115	267
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>5,731</b>	<b>5,396</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Utility Plant Expenditures, Including AFUDC of \$49 in 2008 and \$58 in 2007	(6,327)	(3,620)
Restricted Cash	219	599
Preliminary Survey & Investigation Charges	(681)	(663)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,789)</b>	<b>(3,684)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Redemption of Long-term Debt	(490)	(425)
Proceeds from Issuance of Long-term Debt	343	41
Net Short-term Bank Borrowings	2,750	-
Deferred Debt Issuance Expenses	(28)	(30)
Common Stock Issuance Expense	-	(15)
Restricted Cash	-	(23)
Proceeds from Issuance of Common Stock	357	349
Payment of Common Dividends	(2,319)	(2,272)
Payment of Preferred Dividends	(62)	(62)
Construction Advances and Contributions-Net	(60)	137
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>491</b>	<b>(2,300)</b>

NET CHANGES IN CASH AND CASH EQUIVALENTS	(567)	(588)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,029	5,826
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,462	\$ 5,238

SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:

Utility Plant received as Construction Advances and Contributions	\$ 546	\$ 1,610
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SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:

Cash Paid During the Year for:

Interest	\$ 2,546	\$ 2,461
Interest Capitalized	\$ (49)	\$ (58)
Income Taxes	\$ 701	\$ 15

See Notes to Condensed Consolidated Financial Statements.

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

		March 31, 2008 (Restated -See Note 11)	December 31, 2007
<b>Common Stock, No Par Value:</b>			
Shares Authorized -	40,000		
Shares Outstanding -	2008 - 13,262	\$ 106,025	\$ 105,668
	2007 - 13,246		
Retained Earnings		27,064	27,441
Accumulated Other Comprehensive Income, net of tax		57	69
<b>TOTAL COMMON EQUITY</b>		<b>\$ 133,146</b>	<b>\$ 133,178</b>
<b>Cumulative Preference Stock, No Par Value:</b>			
Shares Authorized - 100			
Shares Outstanding - None			
<b>Cumulative Preferred Stock, No Par Value:</b>			
Shares Authorized - 139			
Shares Outstanding - 37			
<b>Convertible:</b>			
Shares Outstanding, \$7.00 Series - 14		1,457	1,457
Shares Outstanding, \$8.00 Series - 12		1,399	1,399
<b>Nonredeemable:</b>			
Shares Outstanding, \$7.00 Series - 1		102	102
Shares Outstanding, \$4.75 Series - 10		1,000	1,000
<b>TOTAL PREFERRED STOCK</b>		<b>\$ 3,958</b>	<b>\$ 3,958</b>
<b>Long-term Debt</b>			
8.05%, Amortizing Secured Note, due December 20, 2021		\$ 2,775	\$ 2,800