

MIDDLESEX WATER CO
Form 10-Q
August 02, 2016

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, 2016

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, New Jersey 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post files).

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 July 31, 2016: Common Stock, No Par Value: 16,280,430 shares outstanding.

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MIDDLESEX WATER COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Operating Revenues	\$ 32,725	\$ 31,666	\$ 63,304	\$ 60,446
Operating Expenses:				
Operations and Maintenance	15,789	16,229	31,617	32,317
Depreciation	3,180	2,982	6,317	5,930
Other Taxes	3,428	3,220	6,740	6,280
Total Operating Expenses	22,397	22,431	44,674	44,527
Operating Income	10,328	9,235	18,630	15,919
Other Income (Expense):				
Allowance for Funds Used During Construction	119	103	180	185
Other Income	25	43	73	82
Other Expense	(7)	(18)	(26)	(83)
Total Other Income, net	137	128	227	184
Interest Charges	1,436	1,496	2,413	2,554
Income before Income Taxes	9,029	7,867	16,444	13,549
Income Taxes	3,110	2,778	5,735	4,825
Net Income	5,919	5,089	10,709	8,724
Preferred Stock Dividend Requirements	36	36	72	72
Earnings Applicable to Common Stock	\$ 5,883	\$ 5,053	\$ 10,637	\$ 8,652
Earnings per share of Common Stock:				
Basic	\$ 0.36	\$ 0.31	\$ 0.65	\$ 0.54
Diluted	\$ 0.36	\$ 0.31	\$ 0.65	\$ 0.53

Average Number of
Common Shares Outstanding:

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Basic	16,271	16,149	16,252	16,141
Diluted	16,427	16,305	16,408	16,297
Cash Dividends Paid per Common Share	\$ 0.1988	\$ 0.1925	\$ 0.3975	\$ 0.3850

See Notes to Condensed Consolidated Financial Statements.

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MIDDLESEX WATER COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands)

		June 30, 2016	December 31, 2015
ASSETS			
UTILITY PLANT:	Water Production	\$144,525	\$ 142,794
	Transmission and Distribution	407,387	398,363
	General	62,137	61,322
	Construction Work in Progress	14,176	5,734
	TOTAL	628,225	608,213
	Less Accumulated Depreciation	131,125	126,343
	UTILITY PLANT - NET	497,100	481,870
CURRENT ASSETS:			
	Cash and Cash Equivalents	1,229	3,469
	Accounts Receivable, net	10,908	10,060
	Unbilled Revenues	8,154	6,246
	Materials and Supplies (at average cost)	4,732	2,600
	Prepayments	3,242	2,035
	TOTAL CURRENT ASSETS	28,265	24,410
DEFERRED CHARGES AND OTHER ASSETS:			
	Preliminary Survey and Investigation Charges	2,424	2,199
	Regulatory Assets	58,126	58,552
	Operations Contracts, Developer and Other Receivables	2,868	2,921
	Restricted Cash	439	439
	Non-utility Assets - Net	9,389	9,199
	Federal Income Tax Receivable	1,408	1,408
	Other	343	385
	TOTAL DEFERRED CHARGES AND OTHER ASSETS	74,997	75,103
	TOTAL ASSETS	\$600,362	\$ 581,383
CAPITALIZATION AND LIABILITIES			
CAPITALIZATION:			
	Common Stock, No Par Value	\$152,062	\$ 150,763
	Retained Earnings	60,114	55,931
	TOTAL COMMON EQUITY	212,176	206,694
	Preferred Stock	2,436	2,436
	Long-term Debt	130,955	132,908
	TOTAL CAPITALIZATION	345,567	342,038
CURRENT LIABILITIES:			
	Current Portion of Long-term Debt	5,869	5,739
	Notes Payable	10,500	3,000
	Accounts Payable	9,589	6,525
	Accrued Taxes	9,439	9,126

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Accrued Interest	1,091	1,104
Unearned Revenues and Advanced Service Fees	899	880
Other	1,735	1,945
TOTAL CURRENT LIABILITIES	39,122	28,319

COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)

DEFERRED CREDITS	Customer Advances for Construction	21,051	20,461
AND OTHER LIABILITIES:	Accumulated Deferred Investment Tax Credits	792	832
	Accumulated Deferred Income Taxes	70,927	