

Shareholder Services

Inquiries about stock transfer, dividends, dividend reinvestment, missing or lost certificates, change of address notification and other account information should be directed to:

**Investor Relations Department,
Middlesex Water Company
P.O. Box 1500,
Iselin, NJ 08830**

Dividend Reinvestment and Stock Purchase Plan

The Company has a Dividend Reinvestment and Stock Purchase Plan through which its shareholders can automatically reinvest all or part of their dividends and/or make direct cash payments to acquire Middlesex Water Company Common Stock.

Direct Deposit of Dividends

Middlesex Water offers direct deposit of dividends whereby dividend payments may be deposited into shareholders' checking, savings or money market accounts. For information call 1-800-368-5948.

Transfer Agent

The Transfer Agent for the Common and Preferred Stocks is:
**Registrar and Transfer Company,
10 Commerce Drive,
Cranford, NJ 07016
800-368-5948**

View Your Account Online!

Shareholders can view their stockholder account information directly via the Internet. Registrar and Transfer Company (R&T) will issue and mail a password directly to you at your address of record. You may also apply for a password by visiting the R&T website, www.rtc.com. Please note, you will need your account number to request Internet access. This number can be found on your distribution check or dividend reinvestment statement. The R&T web site also has other loadable forms and the ability to submit address changes and request the replacement of outstanding checks.



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NASDAQ Global Select Market Stock Market Symbol: MSEX
www.middlesexwater.com

About Middlesex Water Company

Middlesex Water Company was incorporated as a water utility company in 1897. The Company collects, treats, distributes and sells water for domestic, commercial, municipal, industrial and fire protection purposes.

New Jersey Companies

The Middlesex System provides water services to approximately 59,200 retail customers, within a 55-square mile area encompassing Woodbridge Township, the City of South Amboy, the Boroughs of Metuchen and Carteret, portions of Edison Township and the Borough of South Plainfield. The Company also provides water under contract to the Township of Edison, the Boroughs of Highland Park and Sayreville, and both the Old Bridge and Marlboro Township Utilities Authorities. The Middlesex System also provides treatment and pumping services to the Township of East Brunswick under contract. The contract customers of the Middlesex System comprise an area of approximately 146 square miles with a population of about 303,000.

Utility Service Affiliates (Perth Amboy) Inc., operates the City of Perth Amboy's water and wastewater systems and serves approximately 9,600 customers.

Pinelands Water and Wastewater Companies serve approximately 2,500 residential customers in Burlington County, New Jersey.

Utility Service Affiliates, Inc. provides contract operations services and water and sewer line maintenance through its LineCareSM Program.

Delaware Companies

Tridewater Utilities, Inc., (TUI), the Company's Delaware subsidiary along with its wholly-owned subsidiary, Southern Shores, provides water service to about 30,100 retail customers in over 271 separate community water systems in New Castle, Kent and Sussex Counties.

White Marsh Environmental Systems, Inc. operates water and wastewater systems in Delaware, under contract, and serves about 5,000 residential customers.

Tidewater Environmental Services, Inc. began providing wastewater services in Delaware in 2005.

2007 First Quarter Report



A Provider of Water,
Wastewater and Related
Products and Services

MARCH 31, 2007

www.middlesexwater.com

A Note from the President

To Our Shareholders,

For the quarter ended March 31, 2007, consolidated operating revenues rose \$0.8 million or 4.2% over the same period in 2006. Earnings Applicable to Common Stock were \$1.71 million, or \$0.13 per share, compared to \$1.75 million or \$0.15 per share in 2006.

First Quarter Results

First quarter results reflect an additional \$0.5 million of revenues due to the implementation of a 15% interim rate increase in June 2006 and a 12% additional increase granted in late February to our Delaware subsidiary, Tidewater Utilities, Inc. Continued customer growth generated an additional \$0.3 million in revenues during the quarter. Revenue increases in our other subsidiaries helped offset a decrease of \$0.1 million in consumption revenues in the Middlesex system in New Jersey.

We are beginning to realize the full effect of rate decisions received in 2006 and 2007, and continue to see the impact of customer growth in our Delaware operations. In our effort to remain diligent about obtaining timely rate relief for continued capital investment and other cost increases we filed for an \$8.9 million, or 16.5%, rate increase for our Middlesex system in New Jersey in mid-April.

We continue to lay a foundation for further expansion of both our regulated and non-regulated water and wastewater services. We have now assumed partial operation of the wastewater treatment facilities of the Town of Milton, DE as part of our contract to purchase that system and we have now received all regulatory approvals to operate as a regulated water and wastewater utility in Maryland. As growth in both the regulated water and wastewater businesses is dependent upon economic conditions surrounding new housing as well as developer construction timetables, we continue to explore additional opportunities that showcase to developers, municipalities and others, our portfolio of capabilities offering a full complement of technical, operational and management skills.

Board Declares Dividend

The Board of Directors declared a quarterly cash dividend of \$0.1725 per share, payable June 1, 2006, to common stockholders as of May 15, 2007. The Company has paid cash dividends in varying amounts continually since 1912. Middlesex Water has a Dividend Reinvestment Plan under which dividends and optional cash payments can be used to purchase additional shares of common stock.

Management Update

In late March, Bernadette M. Sohler was promoted to Vice President – Corporate Affairs. With the Company since 1994, Bernadette will oversee the areas of corporate, investor and employee communications, media and government relations, marketing, community affairs and corporate philanthropic activities. Her strategic insight, leadership abilities, and industry knowledge make Bernadette a valued addition to our executive team.

Tidewater Earns Honors

In April, Tidewater was recognized with the Torch Award for Marketplace Ethics by the Better Business Bureau of Delaware. This honor is awarded annually to companies exhibiting high ethical standards towards customers, suppliers, employees, shareholders and communities. In addition, water provided by Tidewater was voted the “Best Tasting Water in Delaware” at a water tasting competition held during the Annual Conference of Delaware Rural Water in March.

Sewer Line Maintenance Now Available in NJ and DE

We have expanded our existing service line maintenance plan to include customer sewer lines. For an affordable annual fee, homeowners can now enjoy peace of mind from costly repair expenses due to water and/or sewer line emergencies through our LineCare Plussm Program.

Your management team is enthused about our additional prospects to add to long-term shareholder value and we appreciate your continued support.



Dennis W. Doll
President and Chief Executive Officer
May 8, 2007



CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

(In thousands except per share amounts)

	Three Months Ended March 31,	
	2007	2006
Operating Revenues	\$ 18,988	\$ 18,230
Operating Expenses:		
Operations	10,192	9,646
Maintenance	978	739
Depreciation	1,845	1,668
Other Taxes	2,251	2,204
Total Operating Expenses	15,266	14,257
Operating Income	3,722	3,973
Other Income:		
Allowance for Funds Used During Construction	112	113
Other Income	226	58
Other Expense	(5)	(2)
Total Other Income, net	333	169
Interest Charges	1,384	1,515
Income before Income Taxes	2,671	2,627
Income Taxes	902	815
Net Income	1,769	1,812
Preferred Stock Dividend Requirements	62	62
Earnings Applicable to Common Stock	\$ 1,707	\$ 1,750
Earnings per share of Common Stock:		
Basic	\$ 0.13	\$ 0.15
Diluted	\$ 0.13	\$ 0.15
Average Number of Common Shares Outstanding :		
Basic	13,176	11,594
Diluted	13,507	11,925
Cash Dividends Paid per Common Share	\$ 0.1725	\$ 0.1700

Visit Our Investor Relations Website:

To learn more about developments at Middlesex Water Company and to register for periodic e-mail updates, please visit the Investor Relations Section of our website at www.middlesexwater.com