

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.rtco.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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732-634-1500 • Fax 732-638-7515**

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

Tidewater 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 Third Quarter Report



A Provider of Water,
Wastewater and Related
Products and Services

SEPTEMBER 30, 2007

www.middlesexwater.com

A Note from the President

To Our Shareholders,

Third Quarter Results

We are pleased to report consolidated operating revenues for the quarter ended September 30, 2007, rose to \$24.1 million, from \$22.6 million for the same period in 2006. This was attributed to extended dry weather, customer growth and rate relief in our Delaware service territories served by Tidewater Utilities, Inc.

Earnings applicable to common stock increased 24.2% to \$4.1 million, up from \$3.3 million for the same period in 2006. Both basic and diluted earnings per common share rose to \$0.31, from \$0.29 and \$0.28 per share, respectively, from the comparable amounts in the quarter ended September 30, 2006. The increase in earnings per share is net of the effect of an increased number of shares outstanding from a common stock offering in late 2006.

Total operating expenses for the quarter increased to \$16.4 million, up from \$15.8 million in 2006. This increase was largely due to higher water production costs due to increased sales in Delaware, higher unit costs for purchased water and electric power in New Jersey and increased repair costs related to water main breaks.

Nine-Month Results

For the nine-month period ended September 30, 2007, operating revenues increased to \$64.9 million, up from \$61.9 million in 2006. This increase was attributed to rate relief, customer growth and higher consumption in the regulated water utilities, as well as increased revenues from our regulated and non-regulated wastewater operations in Delaware. Total operating expenses increased to \$47.1 million, from \$44.9 million for the same period in 2006.

Earnings applicable to common stock were \$9.1 million, compared to \$8.0 million in 2006. Both basic and diluted earnings per share remained at \$0.69 and \$0.68 respectively, as compared to the same period in 2006, and were net of the impact of the 2006 common stock offering.

Board Approves Dividend Increase

Your Board of Directors approved an increase in the quarterly dividend from \$0.1725 to \$0.175 per common share, payable December 3, 2007, to shareholders of record as of November 15, 2007. This dividend increase raises the annual dividend to \$0.70 from \$0.69 per share of common stock

Rate Proceedings

Our continued focus on seeking timely and adequate rate relief in the regulated businesses yielded positive results in our most recent rate proceeding. In late October, Middlesex Water received approval from the New Jersey Board of Public Utilities for a 9.1% or \$5.0 million overall increase in base water rates. We are particularly pleased with this outcome which was achieved well in advance of our initial estimated effective date.

Operating Efficiencies

Controlling costs and making business process improvements helps us to continue to deliver value for our shareholders. Following the consolidation of our accounting functions last quarter, we have now also completed the consolidation of our customer service functions into a single location in New Jersey. These initiatives are intended to produce a variety of benefits including: more efficient delivery of service to our customers, more consistent training and application of policies and procedures for our employees and more effective management of our costs for the benefit of our shareholders.

Direct Registration Now Available

We are pleased to offer shareholders the use of the Direct Registration System (DRS) as another means of registered stock ownership. Direct Registration is the ownership of stock registered in your own name, without taking actual possession of the printed stock certificates. Stock ownership is recorded and tracked on the company's records, as administered by our transfer agent. We invite you to read the enclosed brochure which discusses this service in greater detail.

Having recently received regulatory approvals to operate in Maryland, combined with various ongoing negotiations, we are excited about our ability to expand our geographic footprint and grow our regulated and non-regulated water and wastewater utility businesses. We appreciate your continued support and confidence.



Dennis W. Doll
President and Chief Executive Officer
November 30, 2007



CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

(In thousands except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Operating Revenues	\$ 24,135	\$ 22,632	\$ 64,868	\$ 61,899
Operating Expenses:				
Operations	10,915	10,446	31,250	30,104
Maintenance	1,046	907	3,060	2,440
Depreciation	1,887	1,883	5,607	5,264
Other Taxes	2,558	2,537	7,221	7,110
Total Operating Expenses	16,406	15,773	47,138	44,918
Operating Income	7,729	6,859	17,730	16,981
Other Income:				
Allowance for Funds Used				
During Construction	168	170	421	398
Other Income	100	41	608	140
Other Expense	(9)	(6)	(21)	(20)
Total Other Income, net	259	205	1,008	518
Interest Charges	1,734	1,890	4,816	5,213
Income before Income Taxes	6,254	5,174	13,922	12,286
Income Taxes	2,096	1,797	4,680	4,129
Net Income	4,158	3,377	9,242	8,157
Preferred Stock Dividend Requirements	62	62	186	186
Earnings Applicable to Common Stock	\$ 4,096	\$ 3,315	\$ 9,056	\$ 7,971
Earnings per share of Common Stock:				
Basic	\$ 0.31	\$ 0.29	\$ 0.69	\$ 0.69
Diluted	\$ 0.31	\$ 0.28	\$ 0.68	\$ 0.68
Average Number of Common Shares				
Outstanding:				
Basic	13,206	11,630	13,191	11,611
Diluted	13,537	11,961	13,522	11,943
Cash Dividends Paid per Common Share	\$ 0.1725	\$ 0.1700	\$ 0.5175	\$ 0.5100

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