

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.



NASDAQ
GLOBAL SELECT

1500 Ronson Road, Iselin, NJ 08830-3020
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 Municipal 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.

2008 Third Quarter Report



A Provider of Water,
Wastewater and Related
Products and Services

Named One of
America's Top 100 Most
Trustworthy Companies
(*Audit Integrity, Inc., March
2008*)

SEPTEMBER 30, 2008
www.middlesexwater.com

Third Quarter Results

We are pleased to report consolidated operating revenues for the quarter ended September 30, 2008, increased \$1.5 million from the same period in 2007. This was attributed to a 9.1% base rate increase implemented in October 2007 in the Middlesex system in New Jersey and customer growth and rate relief realized in our Delaware service territories served by Tidewater Utilities.

Earnings applicable to common stock increased 13.8% to \$4.7 million, up from \$4.1 million for the same period in 2007. Both basic and diluted earnings per common share rose to \$0.35, from \$0.31 per share in the quarter ended September 30, 2007. Total operating expenses for the quarter increased to \$17.3 million, up from \$16.4 million in 2007. This increase was largely due to higher water production costs in New Jersey as well as higher operating costs related to an increased number of wastewater treatment facilities in operation in Delaware.

Nine-Month Results

For the nine-month period ended September 30, 2008, operating revenues increased to \$69.5 million, up from \$64.9 million in 2007. This increase was attributed to rate relief, customer growth and higher consumption in our regulated water utilities in New Jersey and Delaware, as well as increased revenues from our non-regulated wastewater operations in Delaware. Total operating expenses increased to \$50.0 million, from \$47.1 million for the same period in 2007.

Earnings applicable to common stock were \$10.1 million, compared to \$9.1 million in 2007. Diluted earnings per share were \$0.75, compared to \$0.68, for the same period in 2007.

Board Approves Dividend Increase

Your Board of Directors approved an increase in the quarterly dividend from \$0.1750 to \$0.1775 per common share, payable December 1, 2008, to shareholders of record as of November 14, 2008. This dividend increase raises the annual dividend to \$0.71 from \$0.70 per share of common stock.

Company Expands to North Carolina

In September, we entered into an agreement to own and operate water and wastewater systems for a community of luxury single family homes and commercial properties under construction in North Carolina. This opportunity is a significant step in our strategy to extend the Company's geographic footprint to encompass additional areas on the eastern seaboard.

Honors and Achievements

Middlesex Water Company has been named "Outstanding 'Green' Business of the Year" by the Edison, NJ Chamber of Commerce. Our company was recognized for its commitment to renewable energy and its role as an environmental steward. As a company that delivers critical water and wastewater service, we are keenly aware of our leadership role in source water protection and the preservation of our water supplies for present and future generations. We will continue to focus on initiatives that have a positive impact on the environment and, as demonstrated through greater energy efficiencies and prudent management of our water resources, benefit our customers and shareholders.

Despite the uncertainties in the current economic environment, we continue to execute our plans for profitable growth and enhanced shareholder value. The relatively predictable revenue stream inherent in our business, our diligent focus on managing our costs and our continued strong financing capability backed by tangible assets and ongoing growth opportunities, leaves us confident that our strategic plan remains appropriate. We thank you for your continued support and confidence.

Dennis W. Doll

Dennis W. Doll
President and Chief Executive Officer

November 21, 2008



CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)
(in thousands except per share amounts)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007
Operating Revenues	\$69,543	\$64,868
Operating Expenses:		
Operations	12,574	11,961
Maintenance	11,579	10,915
Depreciation	995	1,046
Other Taxes	1,987	1,887
Total Operating Expenses	27,088	25,588
Operating Income	42,455	39,280
Other Income (Expense):		
Allowance for Funds Used During Construction	180	168
Other Income	150	100
Other Expense	(12)	(9)
Total Other Income, net	318	259
Interest Charges	1,838	1,734
Income before Income Taxes	6,864	6,254
Income Taxes	2,149	2,096
Net Income	4,715	4,158
Preferred Stock	52	62
Dividend Requirements	52	62
Earnings Applicable to Common Stock	\$ 4,663	\$ 4,096
Earnings per share of Common Stock:		
Basic	\$ 0.35	\$ 0.31
Diluted	\$ 0.35	\$ 0.31
Average Number of Common Shares Outstanding:		
Basic	13,350	13,206
Diluted	13,617	13,537
Cash Dividends Paid per Common Share	\$0.1750	\$0.1725
	\$0.5250	\$0.5175

See Notes to Condensed Consolidated Financial Statements.

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