

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 Stock 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.



**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 59,800 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 20,000 customers.

Pinelands Water and Wastewater Companies serve approximately 5,000 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 33,000 retail customers in over 300 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 7,100 residential customers.

Tidewater Environmental Services, Inc. provides wastewater services to approximately 1,900 residential retail customers in Delaware.

2010 First Quarter Report



A Provider of Water,
Wastewater and Related
Products and Services

MARCH 31, 2010
www.middlesexwater.com

A Note from the President

To Our Shareholders

For the quarter ended March 31, 2010, operating revenues were \$21.6 million, up \$1.1 million from the same period in 2009. Basic and diluted earnings per share increased to \$0.11 compared to \$0.10 in 2009, and net income increased \$0.2 million to \$1.5 million.

First Quarter Operating Results

Revenues in the Company's Middlesex system in New Jersey increased \$0.4 million primarily due to \$0.2 million of higher revenues from contract sales to municipalities and increased revenues of \$0.2 million from the effects of the purchase water adjustment clause implemented on July 1, 2009. Water use by residential, commercial and industrial customers remained consistent with the first quarter of 2009 but below historical average usage. Revenues in our Tidewater system in Delaware increased \$0.7 million, primarily due to a combination of increased rates that went into effect in late March 2009, customer growth and increased water consumption.

While water consumption patterns typically remained constant in the first quarter relative to the same period in the prior year, as we enter our peak season for water demand we are encouraged by customer and related consumption growth in our Delaware operations. We are also anticipating the benefit from rate relief awarded in New Jersey in mid-March 2010.

Operation and maintenance expenses for the three months ended March 31, 2010 increased \$0.6 million compared to the same period in 2009, with materials, supplies and outside contractor costs rising \$0.3 million due to a higher incidence of weather-related water main breaks in New Jersey. Labor costs in our New Jersey and Delaware operations increased \$0.2 million, largely due to snow removal related to several significant snow storms both in New Jersey and Delaware. Water production costs were \$0.2 million higher due to increased chemical and residual disposal expenses required due to heightened rainfall in March 2010, increased purchased water costs and increased facilities maintenance expenses.

Board Declares Quarterly Dividend

The Company's Board of Directors declared a quarterly cash dividend of \$0.18 per share, payable June 1, 2010 to common shareholders of record as of May 14, 2010. The Company has paid cash dividends in varying amounts continually since 1912. The Company has a Dividend Reinvestment Plan under which dividends and optional cash payments can be used to purchase additional shares of Common stock. Middlesex Water is currently offering a 5% discount on shares of its Common Stock to participants in its Dividend Reinvestment Plan, through June 1, 2010.

Annual Shareholders Meeting

The Company will host its annual meeting of shareholders on Tuesday, May 25, 2010, beginning at 11:00 EDT at its corporate headquarters in Iselin, NJ.

To help preserve our natural resources and better meet the changing needs of our shareholders, we will no longer be printing and mailing these quarterly reports but instead will be making them available under the Investor Relations/Financial Documents section of our website at www.middlesexwater.com. Shareholders and interested investors may sign up for e-mail alerts on the website to receive notification of press releases, quarterly reports and other financial documents. Copies may be requested by contacting our Investor Relations Department at 732-638-7510.

We thank you for your continued confidence and support and remain confident in our strategic approach to growing the business.



Dennis W. Doll
President and Chief Executive Officer
May 18, 2010



CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands except per share amounts)

	Three Months Ended March 31,	
	2010	2009
Operating Revenues	\$ 21,645	\$ 20,583
Operating Expenses:		
Operations	11,915	11,855
Maintenance	1,679	1,188
Depreciation	2,204	2,086
Other Taxes	2,559	2,452
Total Operating Expenses	18,357	17,581
Operating Income	3,288	3,002
Other Income (Expense):		
Allowance for Funds Used During Construction	294	241
Other Income	170	178
Other Expense	(17)	(10)
Total Other Income, net	447	409
Interest Charges	1,424	1,392
Income before Income Taxes	2,311	2,019
Income Taxes	751	658
Net Income	1,560	1,361
Preferred Stock Dividend Requirements	52	52
Earnings Applicable to Common Stock	\$ 1,508	\$ 1,309
Earnings per share of Common Stock:		
Basic	\$ 0.11	\$ 0.10
Diluted	\$ 0.11	\$ 0.10
Average Number of Common Shares Outstanding :		
Basic	13,538	13,413
Diluted	13,801	13,676
Cash Dividends Paid per Common Share	\$ 0.1800	\$ 0.1775

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