



NASDAQ:MSEX

**Common Dividend Increased
for 43rd Consecutive Year**

Dear Fellow Shareholder:

I am pleased to report that on October 20, 2015, your Board of Directors declared a quarterly cash dividend of \$0.19875 per share on MSEX common stock, a **3.25 percent increase**. This increase raises the annual dividend to \$0.795 from \$0.77 per share of common stock and is payable December 1, 2015 to shareholders of record as of November 12, 2015.

For the three months ended September 30, 2015, consolidated operating revenues were \$34.7 million as compared to \$32.7 million for the same period in 2014. Net income for the quarter was \$6.7 million, compared to \$6.8 million reported in the same quarter of 2014. Earnings per basic and diluted share for the quarter were \$0.41, compared to \$0.42 for the same period in 2014.

Heading into 2015, we were faced with a need for rate relief from our regulators to address utility plant investments and various changes in our revenue and cost profile in our Middlesex system in New Jersey, which included significant actuarial assumption changes impacting the costs to maintain our employee benefit plans. Our management team has worked diligently throughout the year to further reduce costs, as well as to achieve an accelerated result in our New Jersey rate case, which was effective in August and was concluded in approximately five months. Based on the successful achievement of these goals, combined with the confidence we have in our prospects going forward, we announced the 3.25% increase in the common dividend, highlighted above, in October.

Should you have questions regarding your MSEX investment, please call Broadridge at 1-888-211-0641 or visit <http://shareholder.broadridge.com/middlesexwater>.

On behalf of the Board of Directors, officers and employees of the Middlesex Water family of companies, we appreciate your continued confidence and support and wish you a happy and joyous holiday season.

Sincerely,

A handwritten signature in black ink that reads 'Dennis W. Doll'.

Dennis W. Doll
Chairman, President and CEO

**MSEX will be participating in The
World MONEYSHOW in Orlando,
FL March 2-5, 2016. To learn more,
visit www.moneyshow.com**