



NASDAQ:MSEX

1500 Ronson Road
Iselin, New Jersey 08830
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**Common Dividend Increased
for 44th Consecutive Year**

Dear Fellow Shareholder:

I am pleased to report that on October 25, 2016 your Board of Directors declared a dividend of \$0.21125 per common share on MSEX common Stock. This raises the annual dividend to \$0.845 from \$0.795 per share of common stock, an increase of 6.29%, and is payable on December 1, 2016 to shareholders of record as of November 10, 2016. This represents the 44th consecutive year of dividend increases in your company's history. Middlesex Water has paid cash dividends continually since 1912.

We announced third quarter financial results on November 1, 2016. For the three months ended September 30, 2016, consolidated operating revenues were \$37.8 million as compared to \$34.7 million for the same period in 2015. Net income for the quarter was \$8.8 million, compared to \$6.7 million reported in the same quarter of 2015. Earnings per basic and diluted share for the quarter were \$0.54, compared to \$0.41 for the same period in 2015.

Positive third quarter results were largely influenced by the effect of rate relief granted by our New Jersey regulators in August 2015 and higher demand for water, somewhat driven by weather conditions.

In September, our largest Water Treatment Plant in Edison, NJ received the 2016 Partnership for Safe Water's Fifteen Year Directors Award of Recognition. The Partnership for Safe Water is a program developed by the Environmental Protection Agency (EPA), the American Water Works Association (AWWA), and associated Partner organizations to improve the quality of water delivered to customers by optimizing water system operations. Only a small percent of the nation's utilities receive this honor so we thank all of our dedicated employees whose efforts helped make this recognition possible.

If you have questions about your account or would like to learn how to access your shareholder account online at our transfer agent, Broadridge, please call 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