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732-634-1500 • Fax 732-750-5981
NASDAQ Stock Market Symbol: MSEX
www.middlesexwater.com

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.

Direct Deposit of Dividends

Common Stock.
and/or make direct cash payments to acquire Middlesex Water Company which its shareholders can automatically reinvest all or part of their dividends

Dividend Reinvestment and Stock Purchase Plan

The Company has a Dividend Reinvestment and Stock Purchase Plan through P.O. Box 1500, Iselin, NJ 08830

Investor Relations Department, Middlesex Water Company
Inquiries about stock transfer, dividend reinvestment, missing or lost certificates, change of address notification and other account information should be directed to:

Shareholder Services



Shareholders can now 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.

View Your Account Online!

The Transfer Agent for the Common and Preferred Stocks is:
**Registrar and Transfer Company, 10 Commerce Drive,
Cranford, NJ 07016, 800-368-5948**

Transfer Agent



A Note from the President

To Our Shareholders,

First Quarter Results

Middlesex Water Company announced that consolidated operating revenues for the first quarter ended March 31, 2005, were \$16.7 million, up \$0.8 million from \$15.9 million for the same period in 2004. Earnings applicable to Common Stock were \$1.3 million, or \$0.12 per share of Common Stock, as compared to \$1.0 million, or \$0.09 in 2004.

Revenue increased due to continuing growth of our Delaware customer base, and increases in base rates in both New Jersey and Delaware. Operating costs increased to support our growth in Delaware, while costs of water treatment, employee labor and related benefits adversely affected Middlesex. It should be noted that our meter installation venture completed its original projects during December 2004 and did not have any revenues or expenses during the current quarter.

Board Declares Dividend

The Board of Directors of Middlesex Water Company declared a quarterly cash dividend of \$0.1675 per share, on the Common Stock, payable on June 1, 2005, to stockholders of record as of May 13, 2005. The Company has paid cash dividends in varying amounts continually since 1912 and the dividend has been increased in each year since 1973.

Rate Matters

On April 27, 2005, our subsidiary, Tidewater Utilities, Inc., received approval from the Delaware Public Service Commission ("PSC") for a \$0.5 million increase in base rates under the second phase of the PSC Order issued in October 2004. This additional increase is related to the completion of over \$4.3 million in additional capital projects in Delaware.

RENEW Work Area Selected

Middlesex Water Company will be cleaning and lining water mains in the Iselin and Colonia sections of Woodbridge Township, portions of Edison Township and the City of South Amboy, as part of its RENEW Program, a rehabilitative effort designed to enhance water quality and improve water flows.

Approximately 10.5 miles of water main are scheduled to be cleaned and lined under the 2005 RENEW Program.

Dividend Reinvestment Plan 5% Discount

The Company announced that, for a limited period of time, it will offer shares of its Common Stock at a 5% discount to participants in the Company's Dividend Reinvestment and Common Stock Purchase Plan ("Plan"). This offer applies to all purchases under the Plan made between June 1, 2005 and December 1, 2005, whether by Optional Cash payment or Dividend Reinvestment. The 5% reduction in price also will apply to dividends paid and reinvested on June 1, 2005 (to holders of record May 13, 2005). In addition, this discount will apply to any other dividends reinvested during the discount period. More information about the Plan and a Prospectus can be found on the Company's website at www.middlesexwater.com.

We continue to explore ways to increase shareholder value while delivering on our commitment to provide quality water service. We thank you for your continued support and confidence.

Dennis G. Sullivan
 President and Chief Executive Officer
 May 10, 2005

**MIDDLESEX WATER COMPANY
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited))**

	Three Months Ended March 31,	
	2005	2004
Operating Revenues	\$ 16,742,903	\$ 15,875,733
Operating Expenses:		
Operations	9,041,996	8,904,091
Maintenance	898,685	862,508
Depreciation	1,548,048	1,436,230
Other Taxes	2,083,134	1,945,194
Income Taxes	666,770	507,359
	14,238,633	13,655,382
Total Operating Expenses		
Operating Income	2,504,270	2,220,351
Other Income:		
Allowance for Funds Used During Construction	210,450	49,561
Other Income	55,219	19,806
Other Expense	(8,145)	(3,236)
Total Other Income, net	257,524	66,131
Interest Charges	1,382,092	1,252,842
Net Income	1,379,702	1,033,640
Preferred Stock Dividend Requirements	63,697	63,697
Earnings Applicable to Common Stock	\$ 1,316,005	\$ 969,943
Earnings per share of Common Stock:		
Basic	\$ 0.12	\$ 0.09
Diluted	\$ 0.12	\$ 0.09
Average Number of Common Shares Outstanding:		
Basic	11,367,475	10,579,095
Diluted	11,710,615	10,922,235
Cash Dividends Paid per Common Share	\$ 0.1675	\$ 0.1650