

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.



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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

Tridewater 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 First Quarter Report



A Provider of Water,
Wastewater and Related
Products and Services

MARCH 31, 2008

www.middlesexwater.com

A Note from the President

To Our Shareholders,

For the quarter ended March 31, 2008, results were in line with our expectations. Consolidated operating revenues rose \$1.9 million or 9.8% over the same period in 2007. Earnings applicable to common stock were \$1.9 million, or \$0.15 per basic share, compared to \$1.7 million or \$0.13 per basic share in 2007.

First Quarter Results

The rise in consolidated revenues was largely due to an increase in the Middlesex and Tidewater system base rates and higher consumption in Jersey rose \$1.1 million as a result of a 9.1% base rate increase implemented in October 2007, and by \$0.2 million as a result of higher system in Delaware, of which \$0.2 million was the result of an additional 12% base rate increase implemented in February 2007. Customer growth and higher consumption contributed \$0.3 million of revenues. Fees charged for initial connection of new customers in Delaware were \$0.2 million lower in 2008 as new residential and commercial development has slowed. Revenues from regulated wastewater operations in Delaware increased by \$0.1 million due to customer growth. All other operations accounted for \$0.2 million of additional revenues.

Board Declares Dividend

The Board of Directors declared a quarterly cash dividend of \$0.1750 per share, payable June 2, 2008, to common stockholders as of May 15, 2008. The Company has paid cash dividends in varying amounts continually since 1912 and has increased its dividends for 35 consecutive years.

Rate Filings

In April, our subsidiaries in Burlington County, New Jersey, Pinelands Water Company and Pinelands Wastewater Company, filed requests with the New Jersey Board of Public Utilities for an increase in rates to help offset increased costs associated with the operation and maintenance of the water and wastewater systems as well as increased capital investment in those systems. Pinelands Water is seeking an overall increase of approximately \$115,000 and Pinelands Wastewater is seeking an increase of \$212,000. The rate proposal will be examined by the New Jersey Board of Public Utilities and the New Jersey Division of Ratepayer Advocate.

Middlesex Earns National & Local Honors

In March, Middlesex Water was named one of the top 100 most trustworthy publicly traded firms in the United States according to Audit Integrity, Inc., an independent Los Angeles firm that researches corporate governance best practices. Audit Integrity researched 8,000 public firms and selected its Top 100 based on their persistent excellence in transparent financial reporting and conservative corporate governance.

Middlesex is one of four utilities to make the Audit Integrity Top 100 list and ranks 6th among small-cap companies. We are honored to earn a place on this prestigious list and take our commitment to strong corporate governance very seriously. On a local level, Middlesex was also honored with the Outstanding "Green" Business award for its commitment to environmental stewardship and education/outreach.

Driving Business Performance

Middlesex Water has selected Oracle USA to help integrate critical business processes and drive performance across all companies. The initiative, aptly named Project LINK, involves implementing the "Oracle for Utilities" suite of applications across a broad range of business processes over the next 18 months. We believe implementing this comprehensive technology platform is an important step in meeting increasing customer expectations, delivering on our growth strategy and adding to shareholder value.

Despite a presently weakened economy, your management team continues to be encouraged by the level of opportunity we see to expand our water and wastewater services beyond our current geographic borders. Our focus remains on delivering quality service for our customers, developing the skills of our employees and building long-term value for our shareholders. We thank you for your support and look forward to sharing our progress with you.

Dennis W. Doll
President and Chief Executive Officer
May 6, 2008



CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)
(In thousands except per share amounts)

	2008	2007
Operating Revenues	\$20,855	\$18,988
Operating Expenses:		
Operations	11,102	10,192
Maintenance	996	978
Depreciation	1,931	1,845
Other Taxes	2,479	2,251
Total Operating Expenses	16,508	15,266
Operating Income	4,347	3,722

Other Income:(Expenses)	103	112
Allowance for Funds Used During Construction	241	226
Other Income	(46)	(5)
Total Other Income, net	298	333
Interest Charges	1,517	1,384
Income before Income Taxes	3,128	2,671
Income Taxes	1,124	902
Net Income	2,004	1,769
Preferred Stock Dividend Requirements	62	62
Earnings Applicable to Common Stock	\$ 1,942	\$ 1,707

Earnings per share of Common Stock:		
Basic	\$ 0.15	\$0.13
Diluted	\$ 0.15	\$0.13

Average Number of Common Shares Outstanding:		
Basic	13,254	13,176
Diluted	13,585	13,507
Cash Dividends Paid per Common Share	\$0.1750	\$0.1725

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

