

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.

2009 Third Quarter Report



A Provider of Water,
Wastewater and Related
Products and Services

SEPTEMBER 30, 2009
www.middlesexwater.com

A Note from the President

To Our Shareholders

Third Quarter Results

A pattern of below normal water consumption as a result of abnormally cool, wet weather continued in the third quarter in the Northeast. This pattern, along with the continued economic challenges facing some of our commercial and industrial customers who are substantial water users, has characterized 2009 as a year of unprecedented anomalies. It is in unusual times like this that we appreciate the strong regulatory framework in place as well as the regulated utility business model that is designed to mitigate these short term financial challenges.

Consolidated operating revenues for the third quarter of 2009 decreased by less than \$0.2 million, or less than 1.0%, from the same period in 2008. Revenues in the Middlesex system in New Jersey decreased \$0.5 million, or 3.1%, as a result of abnormally lower water consumption across all customer classes. In the Tidewater Utilities system in Delaware, water consumption revenues decreased by \$0.5 million, largely attributable to the same weather patterns. Net income declined from \$4.7 million to \$4.0 million. Diluted earnings per share decreased to \$0.29 for the three months ended September 30, 2009, compared to \$0.35 for the same period in 2008.

Operation and maintenance expenses for the quarter increased \$0.7 million or 5.7% largely due to increased labor costs in Delaware and increased costs for chemicals and residual disposals attributable to significant rainfall during the quarter.

Nine-Month Results

Operating revenues for the nine months ended September 30, 2009, decreased \$0.4 million or less than 1.0% from the same period in 2008. Operation and maintenance expenses increased \$2.8 million or 7.7%. Net income decreased \$2.1 million or 19.9%. Diluted earnings per share decreased to \$0.60 for the nine months ended September 30, 2009 compared to \$0.75 for the same period in 2008.

Dividend Increase Approved

Your Board of Directors approved an increase in the quarterly dividend to \$0.1800 from \$0.1775 per common share, payable December 1, 2009, to shareholders of record as of November 13, 2009. This dividend increase raises the annual dividend to \$0.72 from \$0.71 per share of common stock.

Expanding our Geographic Footprint

On November 5, 2009 we announced the acquisition of the assets of Twin Lakes Water Company, a system serving approximately 330 people in Shohola, PA. This acquisition is but one example of the opportunities for profitable growth beyond our core New Jersey and Delaware operations and demonstrates our focus on paying reasonable prices for systems that can yield a fair return for our shareholders.

Changes in Leadership

On November 17, 2009, Ronald F. Williams, Vice President - Operations & Chief Operating Officer announced that he will retire at the end of 2009. Mr. Williams has served in his position since joining the Company in 1995. During his tenure, he has led the company through numerous operational successes including: a \$30 million upgrade to the company's largest water treatment plant; installation of a 500 kilowatt solar energy facility and the enhancement of security and reliability of Middlesex Water's critical water infrastructure in a post-9/11 2001 environment. Mr. Williams will be succeeded by Richard M. Risoldi who currently serves as Vice President - Subsidiary Operations.

Rate Matters

In September, our Delaware subsidiary, Tidewater Utilities received approval from the Delaware Public Service Commission (PSC) for an overall increase of 14.95% in base water rates. The increase resulted from a settled agreement with the Staff of the PSC and the Delaware Department of the Public Advocate. Tidewater filed the application in January 2009 seeking recovery of increased costs of operations, maintenance and taxes as well as capital improvements of approximately \$26.7 million made since its last rate filing in April 2006.

Thank you for your continued confidence and support.

Dennis W. Doll
President and Chief Executive Officer
November 30, 2009



CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Operating Revenues	<u>\$25,498</u>	\$25,653	<u>\$69,164</u>	\$69,543
Operating Expenses:				
Operations	<u>12,195</u>	11,579	<u>35,725</u>	33,299
Maintenance	<u>1,090</u>	995	<u>3,497</u>	3,102
Depreciation	<u>2,174</u>	1,987	<u>6,370</u>	5,872
Other Taxes	<u>2,715</u>	2,708	<u>7,699</u>	7,715
Total Operating Expenses	<u>18,174</u>	17,269	<u>53,291</u>	49,988
Operating Income	<u>7,324</u>	8,384	<u>15,873</u>	19,555
Other Income (Expense):				
Allowance for Funds Used				
During Construction	<u>245</u>	180	<u>727</u>	445
Other Income	<u>432</u>	150	<u>760</u>	668
Other Expense	<u>(31)</u>	(12)	<u>(49)</u>	(169)
Total Other Income, net	<u>646</u>	318	<u>1,438</u>	944
Interest Charges	<u>1,791</u>	1,838	<u>4,949</u>	5,161
Income before Income Taxes	<u>6,179</u>	6,864	<u>12,362</u>	15,338
Income Taxes	<u>2,152</u>	2,149	<u>4,128</u>	5,054
Net Income	<u>4,027</u>	4,715	<u>8,234</u>	10,284
Preferred Stock Dividend Requirements	<u>52</u>	52	<u>156</u>	166
Earnings Applicable to Common Stock	<u>\$3,975</u>	\$4,663	<u>\$8,078</u>	\$10,118
Earnings per share of Common Stock:				
Basic	<u>\$0.30</u>	\$0.35	<u>\$0.60</u>	\$0.76
Diluted	<u>\$0.29</u>	\$0.35	<u>\$0.60</u>	\$0.75
Average Number of Common Shares Outstanding :				
Basic	<u>13,458</u>	13,350	<u>13,435</u>	13,291
Diluted	<u>13,720</u>	13,617	<u>13,698</u>	13,601
Cash Dividends Paid per Common Share	<u>\$0.1775</u>	\$0.1750	<u>\$0.5325</u>	\$0.5250

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