



## **Pinelands Companies File for Rate Increase Due to Increased Capital Investment and Operating Costs**

May 2, 2008

ISELIN, NJ -- (MARKET WIRE) -- 05/02/08 -- Middlesex Water Company (NASDAQ: MSEX) today announced that its subsidiaries in Burlington County, Pinelands Water Company and Pinelands Wastewater Company, have filed requests with the New Jersey Board of Public Utilities (NJBPU) 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.

The companies, which last filed in August of 2005, are requesting the increase to offset rising costs of maintenance, power, chemicals, business insurance, labor and benefits, taxes and other operating expense increases experienced since the 2005 filing. Pinelands Water is seeking an overall increase of approximately \$115,000 (19.7%). Pinelands Wastewater is seeking an increase of \$212,000 (22.8%).

The companies provide water and wastewater service to approximately 2,400 customers in the communities of Leisuretowne and Hampton Lakes in Southampton Township, New Jersey. Planned capital investments to the systems include upgrades for chlorination facilities at three of four supply wells, the completion of an irrigation meter replacement program as well as improvements within the distribution system facilities, meters and general equipment.

Should the proposed increase be approved, the average combined quarterly bill for water and wastewater customer usage/discharge would rise from \$178.82 to \$218.08 based on 20,000 metered gallons (approximately 2,600 cubic feet.) Customers receive a combined bill for their water and wastewater service.

The rate proposal will be examined by the NJBPU and the New Jersey Division of Ratepayer Advocate. A public hearing on the matter will be scheduled in the Company's service area.

Middlesex Water Company, organized in 1897, is an investor-owned water utility and is engaged in the business of supplying water for domestic, commercial, industrial and fire protection purposes. The Company and its New Jersey subsidiaries are subject to the regulations of the NJBPU. These companies are also subject to various Federal and State regulatory agencies concerning water quality standards.

For additional information regarding Middlesex Water Company, visit the Company's website at [www.middlesexwater.com](http://www.middlesexwater.com) or call (732) 634-1500.

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