



Middlesex Water Company Receives BPU Approval for Rate Increase & Subsidiary Merger

December 9, 2005

ISELIN, NJ -- (MARKET WIRE) -- 12/09/05 -- Middlesex Water Company (NASDAQ: MSEX), has received approval from the New Jersey Board of Public Utilities (BPU) for a 9.2% or \$4.3 million increase in its annual water rates. The Company had requested an increase to support its ongoing capital program and to cover costs of increases in operations, maintenance, depreciation and taxes.

"Water utilities face new and changing drinking water quality regulations, frequent infrastructure challenges and security issues," said Dennis G. Sullivan, President and CEO of Middlesex Water. "Additional challenges include increases in purchased power, taxes and corporate governance regulation. This rate decision will help us to recover some of those costs and is necessary for the Company to help continue providing reliable and quality water service," said Sullivan.

Middlesex Water Company provides retail water service to customers in Woodbridge, Edison, South Plainfield, Carteret, Metuchen and South Amboy. The Company also provides service under contract to Sayreville, the Old Bridge Municipal Utilities Authority (MUA), the Marlboro MUA, East Brunswick, Edison and Highland Park. The increase applies to all classes of customers, both contract and retail.

The average household in the Company's retail service area is currently charged \$28.00 per month for 900 cubic feet or 5,980 gallons of water. The proposed rate increase would mean a water charge of \$30.59 per month for 900 cubic feet of water. The rate increase is effective December 8, 2005.

BPU Approves Bayview Water Company Merger

As part of the New Jersey Board of Public Utilities rate Order, the Board also approved Middlesex Water Company's request to merge Bayview Water Company, a wholly-owned subsidiary of Middlesex, into Middlesex Water Company, effective January 1, 2006. Customers of Bayview are not affected by the aforementioned rate increase. Bayview is a 300-customer system located in Cumberland County, NJ. It had been operated by Middlesex Water since 1997.

Delaware Subsidiary Enters Wastewater Arena

Tidewater Environmental Services, Inc., a subsidiary of Middlesex Water operating in Delaware, has announced the acquisition of a wastewater treatment and disposal facility serving The Retreat, a residential community, located in Sussex County, DE. This acquisition marks the Company's formal entry into the regulated wastewater business in Delaware.

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

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's New Jersey subsidiaries -- Pinelands Water Company and Pinelands Wastewater Company -- provide service to residents in Southampton Township, New Jersey. The Company's other New Jersey subsidiary, Utility Service Affiliates (Perth Amboy) Inc., operates the water supply for the City of Perth Amboy, New Jersey. Middlesex Water Company and Pinelands Water and Wastewater Companies are subject to the regulations of the New Jersey Board of Public Utilities. The companies are also subject to various Federal and State regulatory agencies concerning water quality standards. This rate change does not apply to Perth Amboy, Pinelands or the other subsidiary customers.

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