



Middlesex Water Company Seeks BPU Approval to Merge Bayview Water Company Into Middlesex

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ISELIN, NJ -- (MARKET WIRE) -- 08/23/05 -- Middlesex Water Company (NASDAQ: MSEX), a provider of water and wastewater services in New Jersey and Delaware, has filed a petition with the New Jersey Board of Public Utilities (BPU) seeking approval of a merger of the Bayview Water Company into the Middlesex Water Company, effective on or about January 1, 2006. Middlesex is the sole stockholder of Bayview Water Company.

Bayview Water Company was formed in 2001 as a wholly owned subsidiary when Middlesex acquired the assets of the Fortescue Realty Company to provide water service to approximately 300 customers on Fortescue Island in Downe Township in Cumberland County, NJ. Prior to 2001, Middlesex had managed Bayview for three years as Interim Custodial Receiver, an action sanctioned by the BPU in its efforts to provide those customers with safe, reliable service.

"Merging the Bayview system into the larger Middlesex system will allow us to better meet the ongoing capital and operational needs of the Bayview water system without imposing onerous rates for service on the residents of Fortescue Island," said Middlesex Water President Dennis G. Sullivan. "The impact of the merger on the Middlesex residential customer would be minimal -- approximately \$0.31 per quarter," he added.

About Middlesex Water Company

Middlesex Water Company, organized in 1897, is an investor-owned water utility serving customers in central and southern New Jersey and in the State of Delaware. The Company and its New Jersey subsidiaries are subject to the regulations of the Board of Public Utilities of the State of New Jersey. The Company's Delaware subsidiaries, Tidewater Utilities, Inc., together with Southern Shores Water Company, and Tidewater Environmental Services, Inc., are subject to the regulations of the Public Service Commission in Delaware. 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 or call (732) 634-1500.

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