



1500 Ronson Road
Iselin, NJ 08830
(732) 634-1500
NASDAQ Stock Market Symbol: **MSEX**

January 4, 2010

5% Purchase Discount Available to Dividend Reinvestment Plan Participants Now Through June 1, 2010

Dear Shareholder:

On December 23rd, Middlesex Water Company issued a press release announcing a 5% discount for all Common Stock purchases made under the Company's Amended and Restated Dividend Reinvestment and Common Stock Purchase Plan ("Plan") now through June 1, 2010, (the Discount Period) whether by optional cash payment or by dividend reinvestment. During this Discount Period, the purchase price of the shares, if purchased through the Plan, will be 95% of the fair market value of the shares on the purchase dates, as described in the Company's Plan Prospectus dated August 28, 2009 ("Plan Prospectus").

Any Common Stock purchased at the discounted price, and then subsequently withdrawn from the Plan within six months after purchase, will be subject to a withdrawal fee. The withdrawal fee equals the original 5% purchase price discount times the number of shares withdrawn, which were purchased within the Discount Period at the discounted price. The withdrawal fee shall not exceed the amount of the discount taken on the shares that are withdrawn within six-months after the date of purchase that occurred within the Discount Period.

The terms and conditions of the Plan, the discount purchase details and instructions for enrolling in the Plan are available in the Plan Prospectus, which is available online at the Company's website: www.middlesexwater.com under Investor Relations. Copies of the Plan Prospectus may also be obtained by calling the Investor Relations Department at (732) 634-1500. The Company has filed with the Securities and Exchange Commission ("SEC") a Registration Statement on Form S-3 (No. 333-160757) for the Plan. The entire registration statement, which includes the Plan Prospectus, can be viewed online at the SEC's website: www.sec.gov. This announcement is not an offer to sell or a solicitation to buy securities, which can be made only by means of the Plan Prospectus.

To take advantage of this offer through Optional Cash Payments, the cash payment form attached to your statement of account, together with payment, must be received by the Agent (Registrar and Transfer Company, 10 Commerce Drive, Cranford, NJ 07016) at least 10 days prior to the end of any month so that your funds will be invested on the first business day of the next month. Please refer to Questions 18 and 25 of the Plan Prospectus. If you do not wish to participate in this offer, except for the reinvestment of dividends, no action is required on your part.

Thank you for your continued support and confidence in Middlesex Water Company.

MIDDLESEX WATER COMPANY

A handwritten signature in black ink that reads "Dennis W. Doll".

Dennis W. Doll
President and Chief Executive Officer