

MIDDLESEX WATER CO
Form 424B3
August 28, 2009
P R O S P E C T U S

MIDDLESEX WATER COMPANY
Amended and Restated Dividend Reinvestment and Common Stock Purchase Plan
Common Stock (Without Par Value)

Dear Investor:

Middlesex Water Company (the “Company”) is pleased to offer the Middlesex Water Company Amended and Restated Dividend Reinvestment and Common Stock Purchase Plan (the “Plan”). The Plan is a direct stock purchase plan designed to give new investors an opportunity to make an initial investment in the Company’s Common Stock and to provide existing holders of Company Common Stock with a convenient method to purchase additional shares and to reinvest cash dividends paid on the Company’s Common Stock in the purchase of additional shares of Common Stock.

Key features of the Plan are summarized below:

- To open a new Plan account, you will be required to authorize the reinvestment of dividends on at least ten (10) shares.
- If you are a new investor, you may join the Plan by completing and returning an enrollment form and making an initial investment of not less than \$500, up to a maximum of \$10,000.
- If you currently own fewer than ten (10) registered shares, you may authorize the reinvestment of dividends on the shares you currently own and include an optional cash payment with your Enrollment Form sufficient to purchase remaining shares required to enroll. Therefore, if you own at least one share of Common Stock, registered in your name, you may participate by completing and returning an enrollment form and following the optional cash payment instructions set forth in this Prospectus (see Question 17).
- Once you have enrolled, you may elect to have dividends on all or part of your shares automatically reinvested in shares of Common Stock at market prices.
- In addition, you may invest optional cash payments of \$25 or more (maximum \$25,000 per calendar quarter) in the purchase of Common Stock.
- Eligible employees of the Company (and its subsidiary companies and affiliated companies) have the additional option of utilizing automatic payroll deductions to purchase shares.
- As a participant, you may (but are not required to) deposit your Company Common Stock certificates with the Plan Agent for safekeeping.
- The Company may, from time to time, make shares available to Plan participants at a discount from prevailing market prices.

The Company has reserved a total of 600,000 shares of Common Stock to be used in connection with the Plan. As of the date of this Prospectus, 567,385 shares remain available for issuance under the Plan. Although the Plan contemplates the continued payment of quarterly dividends, the Company can make no assurances in that regard.

Sincerely,

Dennis W. Doll
President and Chief Executive Officer

Filed Pursuant to Rule 424(b)(3)

Registration No: 333-160757

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE
SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE
COMMISSION PASSED UPON THE ACCURACY OF THIS PROSPECTUS.
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is August 28, 2009

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS. IF ANY OTHER INFORMATION OR REPRESENTATIONS ARE GIVEN OR MADE, YOU MUST NOT RELY ON THEM AS HAVING BEEN AUTHORIZED.

This prospectus is part of a Registration Statement which we have filed with the SEC. We have omitted certain parts of the Registration Statement in accordance with the rules and regulations of the SEC; therefore, this prospectus does not contain all of the information included in the Registration Statement. For further information, we refer you to the Registration Statement filed on Form S-3, including exhibits and the documents incorporated by reference therein. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy shares of Company Common Stock in any state or other jurisdiction to any person to whom it is unlawful to make such an offer or solicitation.

Neither the delivery of this Prospectus nor any sale made hereunder should be deemed to imply that there has been no change in the affairs of the Company since the date of this Prospectus or that the information herein is correct as of any time subsequent to its date. This Prospectus relates only to the Common Stock offered hereby and is not to be relied upon in connection with the purchase or sale of any other securities in the Company.

TABLE OF CONTENTS

	Page
RISK FACTORS	1
MIDDLESEX WATER COMPANY	1
AVAILABLE INFORMATION	2
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	2
DESCRIPTION OF THE PLAN	3
PURPOSE OF THE PLAN	3
ADVANTAGES OF THE PLAN	3
ADMINISTRATION OF THE PLAN	4
PLAN ELIGIBILITY AND ENROLLMENT	5
DIVIDEND REINVESTMENT	6
OPTIONAL CASH PAYMENTS	7
PURCHASE OF COMMON STOCK	8
CUSTODIAL SERVICE	9
ISSUANCE OF STOCK CERTIFICATES	10
GIFTS AND TRANSFERS OF SHARES	10
CHANGING METHOD OF PARTICIPATION AND WITHDRAWAL	10
ADDITIONAL INFORMATION	12
LIMITATION OF LIABILITY	13
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES	13
USE OF PROCEEDS	16
PLAN OF DISTRIBUTION	17
LEGAL MATTERS	17
EXPERTS	17
INDEMNIFICATION	18

RISK FACTORS

Before you decide to participate in the Plan and invest in shares of our Common Stock, you should be aware of the following material risks in making such an investment. You should consider carefully these risk factors together with all information included or incorporated by reference in this prospectus before you decide to participate in the Plan and purchase shares of Common Stock. In addition, you should consult your own financial and legal advisors before making an investment.

- You will not know the price for the shares you are purchasing under the Plan at the time you authorize the investment or elect to have your dividends reinvested.
- The price of our shares may fluctuate between the time you decide to purchase shares under the Plan and the time of actual purchase. In addition, during this time period, you may become aware of additional information that might affect your investment decision.
 - Shares deposited in a Plan account may not be pledged until the shares are withdrawn from the Plan.
- You will be treated as having received dividend income on the dividend payment date for Federal income tax purposes. Such dividends will generally give rise to a tax liability even though no cash was actually paid to you. This may create a liability for payment of income tax without providing you with immediate cash to pay this tax when it becomes due.
 - No discount will be available for shares acquired in the open market or in privately negotiated transactions. From time to time, no discount may be available for any or all of initial purchases, optional purchase or reinvestment of dividends. For example, a discount for reinvestment of dividends will not insure the availability of a discount for optional cash purchases or initial investments. While a discount from market prices may be established for a particular period of time for shares purchased directly from us, a discount for any one period of time will not insure the availability of the same or any other discount for future periods. We may, without giving you prior notice, change or eliminate the discount for any or all of the investment features of the Plan.
- You bear the risk of loss from market price changes for shares of Common Stock purchased under the Plan. Neither we nor the Plan Agent can give you any assurance that shares of Common Stock purchased under the Plan will, at any particular time, be worth more or less than the amount you paid for them.
- Other important factors and risks are identified in our most recent Annual Report on Form 10-K, which is incorporated by reference into this prospectus. You are encouraged to review these risks carefully.

MIDDLESEX WATER COMPANY

Middlesex Water Company has operated as a water utility in New Jersey since 1897, and in Delaware, through our wholly-owned subsidiary, Tidewater Utilities, Inc. (“Tidewater”), since 1992. We are in the business of collecting, treating, distributing and selling water for domestic, commercial, municipal, industrial and fire protection purposes. We also operate a New Jersey municipal water and wastewater system under contract and provide wastewater services in New Jersey and Delaware through our subsidiaries, including Tidewater (and Tidewater’s wholly owned subsidiaries, Southern Shores Water Company, LLC (“Southern Shores”), and White Marsh Environmental Systems, Inc. (“White Marsh”)), Tidewater Environmental Services, Inc. (“TESI”), Pinelands Water

Company (“Pinelands Water”), Pinelands Wastewater Company (“Pinelands Wastewater”), Utility Service Affiliates, Inc. (“USA”), and Utility Service Affiliates (Perth Amboy) Inc. (“USA-PA”). We are regulated as to the rates charged to customers for water and wastewater services, as to the quality of water service we provide and as to certain other matters. Only our USA, USA-PA and White Marsh subsidiaries are not regulated utilities as to their rates.

Our Middlesex System provides water service to approximately 60,000 retail customers, primarily in central New Jersey. The Middlesex System also provides water service under contract to municipalities in central New Jersey with a total population of approximately 303,000. Through our subsidiary, USA-PA, we operate the water supply system and wastewater system for the City of Perth Amboy, New Jersey. Our other New Jersey subsidiaries, Pinelands Water and Pinelands Wastewater, provide water and wastewater services to residents in Southampton Township, New Jersey. Our USA subsidiary offers residential customers in New Jersey and Delaware a service line maintenance program called LineCareSM.

Our Delaware subsidiaries, Tidewater and Southern Shores, provide water services to approximately 33,000 retail customers in New Castle, Kent and Sussex Counties, Delaware. Our TESI subsidiary provides regulated wastewater service to approximately 1,800 residential retail customers in Delaware. Our White Marsh subsidiary serves an additional 7,200 customers under unregulated operating contracts with various owners of small water and wastewater systems in Kent and Sussex Counties.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the Public Reference Room maintained by the Commission at 100 F. Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. Copies of such material can be obtained from the Public Reference Section of the Commission, 100 F. Street, N.E., Washington, D.C. 20549 at prescribed rates. The Commission maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of the Commission's web site is <http://www.sec.gov>.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company has filed the following documents with the SEC. They are hereby incorporated herein by reference:

- (a) The Company's Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 13, 2009.
- (b) The Company's Current Report on Form 8-K filed on March 12, 2009.
- (c) The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed on May 11, 2009.
- (d) The Company's Current Report on Form 8-K filed on May 11, 2009.
- (e) The Company's Current Report on Form 8-K filed on May 21, 2009.
- (f) The Company's Current Report on Form 8-K filed on July 30, 2009.
- (g) The Company's Current Report on Form 8-K filed on August 6, 2009.
- (h) The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, filed on August 7, 2009.
- (i) The Company's Current Report on Form 8-K filed on August 17, 2009.

(j) The material under the caption "Description of Capital Stock" in the Company's Registration Statement on Form 8-A under Section 12(g) of the Exchange Act, which incorporates by reference the information under "Common Stock" in the prospectus constituting a part of the Company's Registration Statement on Form S-1 (File No. 2-55058).

(k) All documents filed by the Company after the date of this Registration Statement pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, hereby are incorporated herein by reference and shall be deemed a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Copies of documents incorporated herein by reference may be obtained upon written or oral request without charge from the headquarters office of the Company, Middlesex Water Company, 1500 Ronson Road, Iselin, New Jersey 08830 (732) 634-1500, Attn: A. Bruce O'Connor, Vice President & Chief Financial Officer (732) 638-7502.

DESCRIPTION OF THE PLAN

PURPOSE OF THE PLAN

1. What is the purpose of the Plan?

The purpose of the Plan is to promote long-term stock ownership among existing and new investors in the Company by providing a convenient and economical method to purchase shares of Common Stock and reinvest cash dividends in shares of Common Stock without payment of a brokerage commission. We reserve the right to modify, suspend or terminate participation in this Plan by otherwise eligible holders of Common Stock or new investors in order to eliminate practices which we determine, in our sole discretion, to be inconsistent with the purposes of the Plan.

The Plan also provides us with a means of raising additional capital if we elect to directly sell newly issued shares of Common Stock.

ADVANTAGES OF THE PLAN

2. What are some advantages of enrolling in the Plan?

- Cash dividends on the shares held in your Plan account can be automatically reinvested in shares of Common Stock.
- You pay no commission or service charge on purchases made under the Plan.
- You may purchase shares of Common Stock with optional cash payments of at least \$25, subject to a maximum of \$25,000 per calendar quarter.
-

Full investment of the funds you choose to invest is possible because fractional shares, as well as whole shares, will be credited to your Plan account.

- Safekeeping of the shares held in your account is assured since those share certificates are not issued to you directly.
 - For simplified recordkeeping, you will receive regular statements of your Plan account.
- If you are employed by the Company (or its subsidiaries and other affiliates), and are otherwise eligible to participate, you may make purchases through a program of regular payroll deductions.

ADMINISTRATION OF THE PLAN

3. Who administers the Plan?

The Plan is administered by Registrar and Transfer Company of Cranford, New Jersey (the “Plan Agent”). As Plan Agent, Registrar and Transfer Company keeps records, sends statements of account to Plan participants and performs other duties relating to the Plan. The Common Stock purchased in your Plan account will be registered in the name of the Plan Agent, or its nominee, as your agent. You may, at any time, withdraw all or any part of the shares held in your Plan account. (See Questions 31 and 35.) Special arrangements may be made with the Plan Agent if you are an institution that is required by law to maintain physical possession of share certificates.

4. How do I contact the Plan Agent or the Company?

	Plan Agent	Company
Written Inquiries:	Middlesex Water Company c/o Registrar and Transfer Company Dividend Reinvestment Department P.O. Box 664 Cranford, New Jersey 07016 www.rtc.com	Middlesex Water Company 1500 Ronson Road Iselin, New Jersey 08830 Attn: Investor Relations
Phone Inquiries:	(800) 368-5948	(732) 634-1500

5. What kind of reports will be sent to participants in the Plan?

As a participant, you will receive a statement of your account as soon as practicable after each transaction (i.e., dividend reinvestment, optional cash payments, share withdrawals, transfers, etc.) is posted to your Plan account. You should retain these statements in order to establish the cost basis of shares purchased under the Plan for income tax and other purposes. In addition, you will receive copies of all communications sent to all other shareholders, such as annual and quarterly reports, proxy statements and income tax information for reporting dividends paid. Under certain circumstances, in lieu of copies, you may receive a Notice of Internet Availability of Proxy Materials providing access to the Company’s proxy statement and annual report online.

PLAN ELIGIBILITY AND ENROLLMENT

6. How does a Company shareholder become eligible to participate in the Plan?

If you are already a registered shareholder of Common Stock (that is, your share certificates are registered directly in your name), you may enroll in the Plan by completing and returning the Enrollment Form to the Plan Agent and following the instructions set forth below. If the stock you own is registered in more than one name (i.e., joint tenants, trustees, etc.), all registered holders must sign the Enrollment Form. In addition, if the stock you own is registered in different names (i.e., “John Smith” and “J. Smith”), you must submit an Enrollment Form for each registration in order to participate fully in the Plan.

To open a new Plan account, you will be required to authorize the reinvestment of dividends on at least ten (10) shares of Company stock. If you currently own fewer than ten (10) registered shares, you may meet this enrollment requirement by authorizing the reinvestment of dividends on the registered shares you currently own and including an optional cash payment with your Enrollment Form sufficient to purchase the remainder of the ten (10) shares required to enroll. (Company employees should also refer to Question 11.)

7. I already own shares, but they are held by my bank or broker and registered in “street name.” How can I participate?

If you currently own shares of Common Stock that are held on your behalf by a bank or broker (that is, in “street name”), you will need to arrange with your bank or broker to have at least one (1) share registered directly in your name in order to be eligible to participate. Once the share or shares are registered in your name, you may then enroll in the Plan as described in Question 6. (Company employees should also refer to Question 11.)

8. I am not currently a shareholder. Can I participate in the Plan?

If you are a new investor (that is, you do not currently own any shares of the Company’s Common Stock), you may enroll in the Plan by completing and returning to the Plan Agent the Enrollment Form indicating you are a new investor, along with an initial investment in an amount which is at least \$500, up to a maximum of \$10,000. You will be required to authorize the reinvestment of dividends on at least ten (10) shares of Common Stock. (Company employees should also refer to Question 11.)

9. Are there fees associated with enrollment?

No. The Company pays all fees, administrative and other expenses related to your Plan enrollment. However, you may incur certain charges for certain other transactions, requests or withdrawals under the Plan. (See Questions 25, 33 and 35.)

10. Are there any restrictions on participation in the Plan by shareholders residing outside the United States?

Regulations in certain countries may limit or prohibit participation in services provided under this type of program. Therefore, persons residing outside the United States should first determine whether they are subject to any governmental regulations prohibiting or limiting their participation before requesting any of the services provided through the Plan.

11. Are there special eligibility or enrollment rules applicable to Company employees?

Yes, if you are a Company employee or are an employee of one of the Company's subsidiaries (which for purposes of the Plan, includes a subsidiary of one of the Company's subsidiaries), you have the additional option of purchasing shares through automatic payroll deductions. (See Question 22 for details.) Employees who participate through the automatic payroll deduction option may open a Plan account simply by completing an Enrollment Form and returning it to the Company (the ten (10) share minimum reinvestment requirement discussed in Question 6 is not applicable to employees participating through automatic payroll deductions). Employees of municipalities and municipal utility authorities under contract with the Company are not eligible to participate through automatic payroll deductions.

DIVIDEND REINVESTMENT

12. What dividend reinvestment options are available in the Plan?

- (a) "Full Dividend Reinvestment" - Under this option, you direct the Company to reinvest the dividends on all of the shares of Common Stock registered in your name, as well as shares credited to your account under the Plan. In addition, you may make additional investments by making optional cash payments; or
- (b) "Partial Dividend Reinvestment" - Under this option, you direct the Company to reinvest the dividends on a portion of the shares of Common Stock registered in your name. Dividends on shares credited to your account under the Plan will be reinvested fully. In addition, you may make additional investments by making optional cash payments; or
- (c) "Optional Cash Payments Only" - Under this option, you may participate in the Plan by making optional cash payments only. The Plan Agent will continue to pay cash dividends on the shares you hold outside the Plan. Dividends on shares credited to your account under the Plan (i.e., through the optional cash investments) will be reinvested fully.

The Plan Agent will return your Enrollment Form to you if you fail to select one of these options or fail to sign the Enrollment Form.

13. Must my dividends be reinvested automatically to the extent I have chosen either Full Dividend Reinvestment or Partial Dividend Reinvestment?

Yes. To the extent you have elected to participate in the Plan, cash dividends on those shares which are subject to reinvestment will be reinvested automatically in additional shares of Common Stock.

14. When will my dividends be reinvested and at what price?

If you are enrolled in the Plan as of an applicable "record date" for dividends, either all or part of the dividends on your shares (depending on which option you have chosen) will be used to purchase shares of Common Stock as of the applicable dividend payment dates. Cash dividends on the Company's Common Stock, when and as declared, have generally been payable on the first business day of March, June, September and December.

The price of the Common Stock to be purchased under the Plan is addressed in Questions 24 and 25.

15. Will I be charged fees for participating in the dividend reinvestment program?

No. You will not be charged any fees in connection with the reinvestment of your dividends under the Plan. However, you may incur certain charges for certain other transactions, requests or withdrawals under the Plan. (See Questions 25, 33 and 35.)

OPTIONAL CASH PAYMENTS

16. How does the cash payment option work? What are the minimum and maximum amounts for optional cash payments?

As a Plan participant, you may make optional cash payments at any time in amounts of at least \$25, subject to a limitation of \$25,000, per calendar quarter.

17. How do I make an optional cash payment?

Optional cash payments may be made by sending a personal check, drawn from a U.S. Bank in US Dollars, payable to "Registrar and Transfer Company", along with the Enrollment Form.

18. When will optional cash payments be invested?

If the Plan Agent receives your optional cash payment at least ten (10) days prior to the end of any month, it will invest your funds on the first business day of the next month. If the Plan Agent receives your payment fewer than ten (10) days prior to the end of any month, it will hold your funds and invest them on the first business day of the month following the next month. Only shares which are purchased prior to the applicable record date for dividends will be entitled to receive dividends. No interest will be paid on amounts held by the Plan Agent pending investment.

19. Will I be charged fees for optional cash payments?

No. You will not be charged any fees in connection with your optional cash payments. However, you may incur certain charges for certain other transactions, requests or withdrawals under the Plan. (See Questions 25, 33 and 35.)

20. Under what circumstances may an optional cash payment be returned to me?

If the Plan Agent receives a written request from you to return your optional cash payment at least two (2) days prior to the day on which the Plan Agent is scheduled to purchase shares for you, the Plan Agent will return your payment. Note: No interest will be paid on amounts held by the Plan Agent.

21. How are payments with "insufficient funds" handled?

If an optional cash payment is made by a check drawn on insufficient funds or incorrect draft information, or the Plan Agent otherwise does not receive the money, the requested purchase will be deemed void, and the Plan Agent will immediately remove from your account any shares already purchased upon the prior credit of such funds. The Plan Agent may, at its discretion, sell such shares to satisfy any uncollected amounts or return such shares to the Company. If the net proceeds from any sale of such shares are insufficient to satisfy the balance due, the Plan Agent may sell additional shares from your account as necessary to satisfy the uncollected balance.

22. I am an employee eligible to participate (See Question 11). How can I make optional cash payments through automatic payroll deductions?

If you are an eligible employee (See Question 11) and you have completed six (6) months of consecutive employment and you have already enrolled in the Plan (see Questions 6, 7, and 8), you can enroll to make optional cash payments through automatic payroll deductions by completing an Employee Payroll Deduction Authorization Form and submitting it to the Company (if you have not previously enrolled in the Plan, you may do so at the same time you enroll to make optional payroll deductions). The Company (and the Plan Agent) must receive your forms sufficiently in advance of your next paycheck to allow for processing. If you are paid weekly, you may authorize payroll deductions in a specified whole-dollar amount from each regular paycheck, subject to a \$5 minimum and \$100 maximum per pay period. If you are paid biweekly, the minimum deduction is \$10 and the maximum deduction is \$200 per pay period. Payroll deductions will be counted against the limitation on optional cash payments discussed in Question 16. Once authorized, payroll deductions will continue until changed or terminated by you. Note: No interest will be paid on payroll deductions held by the Company or the Plan Agent pending investment.

PURCHASE OF COMMON STOCK

23. What is the source of Company Common Stock purchased through the Plan?

Share purchases will be made directly from the Company's authorized but previously unissued Common Stock, or on the open market through a registered broker dealer.

24. How many shares of Common Stock will be purchased under the Plan and what will be the price of shares?

Your Plan account will be credited with the number of shares (including fractional shares, computed to four decimals) equal to the amount invested for your Plan account divided by the applicable price per share. Shares purchased under the Plan will be purchased and credited to your account at the average of the daily averages of the high and low sales prices of Company Common Stock as reported on the NASDAQ Global Select Market for the five (5) days on which the Common Stock was traded immediately preceding and ending on the applicable date of purchase.

Prices of shares purchased on the open market will be equal to the average price of all shares purchased on your behalf by the Plan Agent. In making purchases of shares for a participant's Plan account on each investment date, the Plan Agent will commingle the participant's funds with those of other participants under the Plan. The prices of shares purchased in the open market for participants in the Plan with reinvested cash dividends will be equal to the average price of all shares purchased for the Plan on such reinvestment date by the Plan Agent. The Plan Agent shall have no responsibility with respect to the market value of Common Stock acquired under the Plan for participant accounts. Although the Company generally bears all expenses associated with the Plan, each Plan participant will be responsible for brokerage commissions and costs associated with the sale of any shares for such participant's account.

25. Will the Company offer discounts on the price per share?

Subject to certain limitations, the Company may, from time to time, offer shares to Plan participants at a discount from the purchase price described in Question 24. Discounts exceeding five percent (5%) may require regulatory approval to be obtained by the Company. The following conditions will apply if and when the Company offers shares at a discount: (i) the Company may limit the number of shares offered at the discounted price; (ii) the Company may limit the time period during which the discounted price is in effect (but in no event will the time period be less than ninety (90) days); (iii) if you purchase shares at the discounted price and subsequently withdraw shares from your Plan account within six (6) months after the date of purchase, you will be charged a withdrawal fee equal to the applicable per share reduction in purchase price on all shares withdrawn (up to a maximum of the number of shares purchased at the discounted price). The withdrawal fee will be charged against your Plan account at the time of withdrawal, and will also apply to any purchases of shares made at the discounted price through automatic dividend reinvestment and employee payroll deductions (if applicable) during the six (6) month period before the date of withdrawal.

26. Will I be charged fees in connection with purchases under the Plan?

No. There are no brokerage fees or service charges applicable to purchases made under the Plan. However, you may incur certain charges for certain other transactions, requests or withdrawals under the Plan. (See Questions 25, 33 and 35.)

CUSTODIAL SERVICE

27. How does the custodial service (book-entry shares) work?

All shares of Company Common Stock that are purchased through the Plan will be held by the Plan Agent and reflected in book-entry form in your account on the records of the Plan Agent. If you hold Company Common Stock certificates you may also, at any time, deposit those certificates for safekeeping with the Plan Agent, and the shares represented by the deposited certificates will be included in the book-entry form in your Plan account.

28. How do I deposit my Company Common Stock certificates with the Plan Agent?

To deposit certificates into the Plan, you should send your certificates, by registered and insured mail, to the Plan Agent, with your written instructions to deposit the shares represented by the certificates to your Plan account. Note: