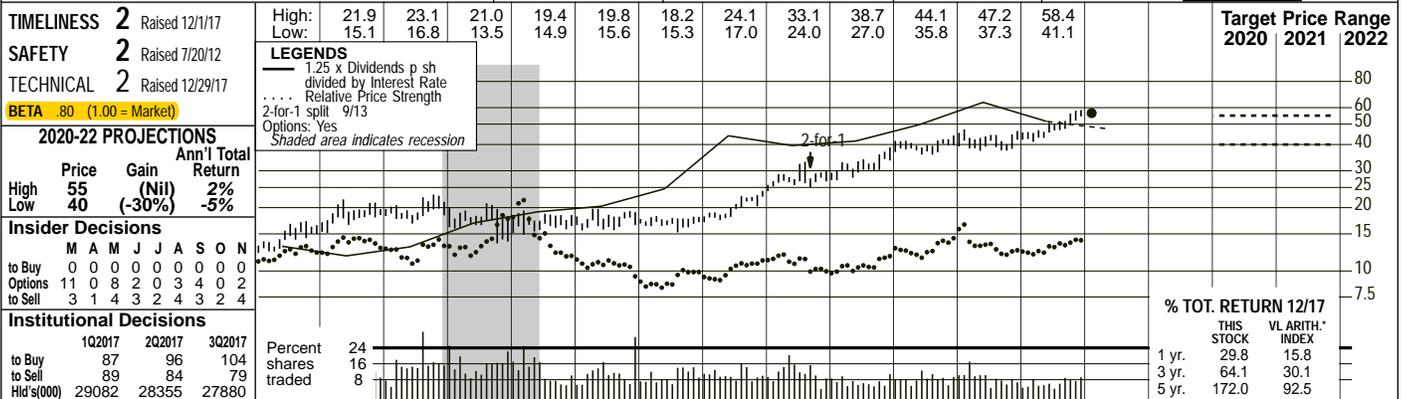


<b>AMER. STATES WATER</b> NYSE-AWR	RECENT PRICE <b>56.40</b>	P/E RATIO <b>32.0</b> (Trailing: 30.8; Median: 20.0)	RELATIVE P/E RATIO <b>1.56</b>	DIV'D YLD <b>1.9%</b>	<b>VALUE LINE</b>
------------------------------------	---------------------------	--	--------------------------------	-----------------------	-------------------



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22	
6.53	6.89	6.99	6.81	7.03	7.88	8.75	9.21	9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	<b>12.40</b>	<b>12.65</b>	Revenues per sh	<b>15.95</b>	
1.26	1.27	1.04	1.11	1.32	1.45	1.65	1.69	1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	<b>2.85</b>	<b>3.05</b>	"Cash Flow" per sh	<b>3.85</b>	
.67	.67	.39	.53	.66	.67	.81	.78	.81	1.11	1.12	1.41	1.61	1.57	1.60	1.62	<b>1.85</b>	<b>1.85</b>	Earnings per sh <sup>A</sup>	<b>2.35</b>	
.43	.44	.44	.44	.45	.46	.48	.50	.51	.52	.55	.64	.76	.83	.87	.91	.99	<b>1.06</b>	<b>1.06</b>	Div'd Decl'd per sh <sup>B</sup>	<b>1.35</b>
1.59	1.34	1.88	2.51	2.12	1.95	1.45	2.23	2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	<b>3.15</b>	<b>3.15</b>	Cap'l Spending per sh	<b>3.60</b>	
6.61	7.02	6.98	7.51	7.86	8.32	8.77	8.97	9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	<b>14.20</b>	<b>14.85</b>	Book Value per sh	<b>16.80</b>	
30.24	30.36	30.42	33.50	33.60	34.10	34.46	34.60	37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	<b>36.70</b>	<b>36.80</b>	Common Shs Outst'g <sup>C</sup>	<b>37.00</b>	
16.7	18.3	31.9	23.2	21.9	27.7	24.0	22.6	21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	<b>26.1</b>	<b>26.1</b>	Avg Ann'l P/E Ratio	<b>21.0</b>	
.86	1.00	1.82	1.23	1.17	1.50	1.27	1.36	1.41	1.00	.97	.91	.97	1.06	1.24	1.35	<b>1.27</b>	<b>1.27</b>	Relative P/E Ratio	<b>1.30</b>	
3.9%	3.6%	3.5%	3.6%	3.1%	2.5%	2.5%	2.9%	2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	<b>2.0%</b>	<b>2.0%</b>	Avg Ann'l Div'd Yield	<b>2.8%</b>	

CAPITAL STRUCTURE as of 9/30/17																						
Total Debt \$367.3 mill. Due in 5 Yrs \$41.7 mill.																		Revenues per sh	590			
LT Debt \$321.0 mill. LT Interest \$21.3 mill. (38% of Cap'l)																		Net Profit (\$mill)	87.0			
Leases, Uncapitalized: Annual rentals \$2.5 mill.																		Income Tax Rate	21.0%			
Pension Assets-12/16 \$150.9 mill. Oblig. \$180.4 mill.																		AFUDC % to Net Profit	2.5%			
Pf'd Stock None.																		Long-Term Debt Ratio	43.5%			
Common Stock 36,679,175 shs. as of 10/1/17																		Common Equity Ratio	56.5%			
MARKET CAP: \$2.1 billion (Mid Cap)																		Total Capital (\$mill)	1100			
CURRENT POSITION				2015	2016	9/30/17															Net Plant (\$mill)	1400
(SMILL.)				4.4	4	6.7															Return on Total Cap'l	9.0%
Cash Assets				18.9	20.0	29.4															Return on Shr. Equity	14.0%
Accts Receivable				109.4	146.5	110.6															Return on Com Equity	14.0%
Other				132.7	166.9	146.7															Retained to Com Eq	6.0%
Current Assets				50.6	43.7	53.8															All Div'ds to Net Prof	5.7%
Accts Payable				28.3	90.3	46.3																
Debt Due				44.6	43.9	51.8																
Other				123.5	177.9	158.9																
Current Liab.																						

**BUSINESS:** American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Company, it supplies water to 261,002 customers in 75 cities and 10 counties. Service areas include the greater metropolitan areas of Los Angeles and Orange Counties. The company also provides electric utility services to 23,940 customers in the city of Big Bear Lake and in areas of San Bernardino County. Sold Chaparral City Water of Arizona (6/11). Has 736 employees. BlackRock, Inc. owns 11.7% of out. shares; Vanguard, 9.5%; off. & dir. 1.5%. (4/17 Proxy). Chairman: Lloyd Ross. President & Chief Executive Officer: Robert J. Sprowls. Inc. CA. Address: 630 East Foothill Blvd., San Dimas, CA 91773. Tel: 909-394-3600. Internet: www.aswater.com.

**American States Water has solid earnings prospects.** We estimate that the water utility earned \$1.85 per share in 2017, thanks, in part, to an unusual gain resulting from the sale of certain assets. Even without this windfall, however, the company would still have likely recorded a 6% increase in its share net. The positive momentum from its core water operations should enable the company's share net to reach \$1.85 once again in 2018.

**Our earnings forecasts are based upon constructive regulatory treatment.** As is the protocol in California, a utility petitions state authorities for rate relief every three years. The company's Golden Gate Water subsidiary filed a general case in July of last year. The application is for the years 2019, 2020, and 2021. A final decision is expected by the end of 2018. The California Public Utility Commission has been reasonable in the past, as it has worked with utilities that have had to spend heavily to upgrade antiquated pipeline systems as well as successfully get customers to reduce consumption because of droughts.

**The nonregulated business provides opportunity for growth.** No matter how efficiently a utility is run, its profitability is limited to what state regulators allow. Through its ASUS business, which represents about 20% of net income, the company has been involved in taking over the management of water systems of major U.S. military installation. ASUS has already signed several 50-year contracts, and we expect to see more agreements reached in the coming years as privatization in this sector increases.

**Timely shares of American States have been doing well, of late.** Since our last report three months ago, AWR has increased over 10%. By comparison, the S&P 500 has risen only about 6%. Typically, water stocks have been defensive investments for those seeking income. This pattern has changed, possibly due to the limited amount of shares available in the large-cap sector of the water industry. Indeed, AWR is now trading above our projected 2020-2022 Target Price Range. Also, potential interest rates hikes by the Federal Reserve may now make this group less suitable for conservative accounts.

James A. Flood January 12, 2018

(A) Primary earnings. Excludes nonrecurring gains/(losses): '04, 7c; '05, 13c; '06, 3c; '08, (14c); '10, (23c); '11, 10c. Next earnings report due early February.	(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.	(C) In millions, adjusted for split.	Company's Financial Strength	A
			Stock's Price Stability	75
			Price Growth Persistence	75
			Earnings Predictability	85

To subscribe call 1-800-VALUELINE

**AMERICAN WATER** NYSE-AWK

RECENT PRICE **89.08** P/E RATIO **28.1** (Trailing: 30.2; Median: NMF) RELATIVE P/E RATIO **1.37** DIV'D YLD **2.0%** **VALUE LINE**

TIMELINESS **2** Raised 11/17/17  
SAFETY **3** New 7/25/08  
TECHNICAL **3** Lowered 1/12/18  
BETA **.65** (1.00 = Market)

2020-22 PROJECTIONS

High	Price	Gain	Ann'l Total Return
90	90	(Nil)	3%
Low	60	(-35%)	-6%

Insider Decisions

	M	A	M	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0
Options	3	0	7	0	0	1	0	2
to Sell	2	0	2	0	0	1	0	3

Institutional Decisions

	12/2017	2/2017	3/2017
to Buy	269	281	262
to Sell	302	291	292
Hlds(000)	160388	158865	160782

LEGENDS

- 0.85 x Dividends p sh divided by Interest Rate
- Relative Price Strength
- Options: Yes
- Shaded area indicates recession

Percent shares traded: 21, 14, 7

% TOT. RETURN 12/17

	THIS STOCK	VL ARITH. INDEX
1 yr.	29.0	15.8
3 yr.	83.1	30.1
5 yr.	175.2	92.5

2001	2002	2003	2004	2005	2006	2007 <sup>E</sup>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
--	--	--	--	--	13.08	13.84	14.61	13.98	15.49	15.18	16.25	16.28	16.78	17.72	18.54	18.95	20.10	Revenues per sh	23.05
--	--	--	--	--	.65	d.47	2.87	2.89	3.56	3.73	4.27	4.36	4.75	5.13	5.26	5.80	6.20	"Cash Flow" per sh	7.50
--	--	--	--	--	d.97	d2.14	1.10	1.25	1.53	1.72	2.11	2.06	2.39	2.64	2.62	3.00	3.30	Earnings per sh <sup>A</sup>	4.15
--	--	--	--	--	--	--	.40	.82	.86	.90	1.21	.84	1.21	1.33	1.47	1.62	1.78	Div'd Decl'd per sh <sup>B</sup>	2.35
--	--	--	--	--	4.31	4.74	6.31	4.50	4.38	5.27	5.25	5.50	5.33	6.51	7.36	7.20	7.25	Cap'l Spending per sh	6.85
--	--	--	--	--	23.86	28.39	25.64	22.91	23.59	24.11	25.11	26.52	27.39	28.25	29.24	30.90	32.40	Book Value per sh <sup>D</sup>	39.45
--	--	--	--	--	160.00	160.00	160.00	174.63	175.00	175.66	176.99	178.25	179.46	178.28	178.10	178.50	179.00	Common Shs Outst'g <sup>C</sup>	187.50
--	--	--	--	--	--	--	18.9	15.6	14.6	16.8	16.7	19.9	20.0	20.5	27.7	26.8	--	Avg Ann'l P/E Ratio	18.0
--	--	--	--	--	--	--	1.14	1.04	.93	1.05	1.06	1.12	1.05	1.03	1.46	1.31	--	Relative P/E Ratio	1.15
--	--	--	--	--	--	--	1.9%	4.2%	3.8%	3.1%	3.4%	2.0%	2.5%	2.5%	2.0%	2.0%	--	Avg Ann'l Div'd Yield	3.1%

**CAPITAL STRUCTURE as of 9/30/17**

Total Debt \$7462.0 mil. Due in 5 Yrs \$1698.0 mil.  
LT Debt \$6672.0 mil. LT Interest \$349.0 mil.  
(55% of Cap'l)

2214.2	2336.9	2440.7	2710.7	2666.2	2876.9	2901.9	3011.3	3159.0	3302.0	3380	3600	Revenues (\$mill)	4325
d342.3	187.2	209.9	267.8	304.9	374.3	369.3	429.8	476.0	468.0	535	590	Net Profit (\$mill)	780
--	37.4%	37.9%	40.4%	39.5%	40.7%	39.1%	39.4%	39.1%	39.2%	40.0%	21.0%	Income Tax Rate	21.0%
--	--	--	--	--	6.2%	5.1%	--	5.1%	1.4%	2.0%	2.5%	AFUDC % to Net Profit	3.5%

Leases, Uncapitalized: Annual rentals \$14.0 mill.  
Pension Assets 12/16 \$1443.0 mill.  
Oblig. \$1864.0 mill.  
Pfd Stock \$9.0 mill. Pfd Div'd \$5 mill

Common Stock 178,375,400 shs. as of 10/26/17

MARKET CAP: \$15.9 billion (Large Cap)

50.9%	53.1%	56.9%	56.8%	55.7%	53.9%	52.4%	52.4%	53.7%	52.4%	53.5%	52.4%	Long-Term Debt Ratio	54.0%
49.1%	46.9%	43.1%	43.2%	44.2%	46.1%	47.6%	47.4%	46.2%	47.5%	46.5%	45.0%	Common Equity Ratio	46.0%
9245.7	8750.2	9289.0	9561.3	9580.3	9635.5	9940.7	10364	10911	10967	11600	12850	Total Capital (\$mill)	16000
9318.0	9991.8	10524	11059	11021	11739	12391	12900	13933	14992	15675	16400	Net Plant (\$mill)	18000
NMF	3.7%	3.8%	4.4%	4.8%	5.4%	5.1%	5.5%	5.7%	5.6%	6.0%	6.0%	Return on Total Cap'l	6.5%
NMF	4.6%	5.2%	6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	9.5%	10.0%	Return on Shr. Equity	10.5%
NMF	4.6%	5.2%	6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	9.5%	10.0%	Return on Com Equity	10.5%
NMF	3.0%	1.8%	2.8%	3.5%	3.6%	4.7%	4.3%	4.7%	4.0%	4.5%	4.5%	Retained to Com Eq	4.5%
--	34%	65%	56%	52%	57%	40%	50%	50%	56%	57%	55%	All Div'ds to Net Prof	57%

**CURRENT POSITION**

	2015	2016	9/30/17
Cash Assets	45.0	75.0	93.0
Accts Receivable	255.0	269.0	312.0
Other	357.0	440.0	455.0
Current Assets	657.0	784.0	860.0
Accts Payable	126.0	154.0	144.0
Debt Due	682.0	1423.0	790.0
Other	725.0	815.0	813.0
Current Liab.	1533.0	2392.0	1747.0

**BUSINESS:** American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to over 15 million people in over 47 states and Canada. (Regulated presence in 16 states.) Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 86.5% of 2016 revenues.

New Jersey is its largest market accounting for 25.4% of regulated revenues. Has 6,800 employees. The Vanguard Group, owns 9.6% of outstanding shares; BlackRock, Inc., 8.2%; officers & directors, less than 1.0%. (3/17 Proxy). President & CEO: Susan N. Story. Chair.: George MacKenzie. Address: 1025 Laurel Oak Road, Voorhees, NJ 08043. Tel.: 856-346-8200. Internet: www.amwater.com.

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	3.0%	3.5%	4.5%
"Cash Flow"	23.0%	8.5%	6.5%
Earnings	--	11.0%	8.5%
Dividends	--	9.0%	10.0%
Book Value	1.5%	4.0%	5.5%

**American Water Works' prospects are bright.** In a December investor presentation, management stated once again that the in-house target for annual growth over the next five-year period for both earnings and dividends is at the high end of the 7% to 10% range. This is well above the projected industry average.

authorities should become even more important as it will have to file more rate cases. On the positive side of the ledger, American Water's internal (non-GAAP) operating expense margin continues to decline. Indeed, the ratio has decreased from 44% in 2010 to about 34% this year. The goal is 32.5% by 2020-2022. In any case, being able to quantify savings keeps a utility in the good graces of those ruling on rate filings.

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	679.0	754.8	846.1	731.4	3011.3
2015	698.0	782.0	896.0	783.0	3159.0
2016	743.0	827.0	930.0	802.0	3302.0
2017	756.0	844.0	936.0	844	3380
2018	770	895	1040	895	3600

**Acquisitions and cost controls will likely remain the twin pillars of the utility's operating strategy.** The water industry in the United States is very fragmented and inefficient. As a result, there are many small and midsize water authorities that do not have the funds required to make the necessary upgrades to their aging water facilities. Hence, American Water has a continual pipeline of purchases in the works. The company is able to integrate these new additions into its asset base while achieving substantial cost savings. Moreover, regulators are happy (more below) when utilities can provide better service at a lower price.

**The capital budget has been raised substantially.** Even though the company is already in the midst of a major construction program, management just increased the estimated outlays by about \$1 billion to bring the new expected five-year total to somewhere between \$8.0 billion and \$8.6 billion. American Water's finances are average, and probably will remain so for the next several years.

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.39	.62	.86	.52	2.39
2015	.44	.68	.96	.56	2.64
2016	.46	.77	.83	.57	2.62
2017	.52	.73	1.13	.62	3.00
2018	.58	.84	1.19	.69	3.30

**Regulators will probably have a major say in the company's future performance.** As the utility continues to expand, its relationship with different state water

**These timely shares will most likely not interest long-term investors.** AWK has outperformed the broader market averages, of late. Indeed, the stock recently traded above our projected 2020-2022 Target Price Range.

James A. Flood  
January 12, 2018

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.28	.31	.31	.31	1.21
2015	.31	.34	.34	.34	1.33
2016	.34	.375	.375	.375	1.47
2017	.375	.415	.415	.415	1.62
2018					

(A) Diluted earnings. Excludes nonrecurring losses: '08, \$4.62; '09, \$2.63; '11, \$0.07. Discontinued operations: '06, (\$0.04); '11, \$0.03; '12, (\$0.10); '13, (\$0.01). GAAP used as of 2014. Next earnings report due mid-February. Quarterly earnings do not sum in '16 due to rounding. (B) Dividends paid in March, June, September, and December. ■ Div. reinvest-ment available. (C) In millions. (D) Includes intangibles. On 9/30/17: \$1.373 billion, \$7.70/share. (E) Pro forma numbers for '06 & '07.

**Company's Financial Strength** B+

**Stock's Price Stability** 100

**Price Growth Persistence** 85

**Earnings Predictability** 90

**AQUA AMERICA** NYSE-WTR

RECENT PRICE **38.65** P/E RATIO **27.4** (Trailing: 29.1; Median: 22.0) RELATIVE P/E RATIO **1.34** DIV'D YLD **2.2%** **VALUE LINE**

TIMELINESS **2** Raised 11/17/17 High: 23.8 21.3 17.6 17.2 18.4 19.0 21.5 28.1 28.2 31.1 35.8 39.6  
 SAFETY **2** Raised 4/20/12 Low: 16.1 15.1 9.8 12.3 13.2 15.4 16.8 20.6 22.4 24.4 28.0 29.4 Target Price Range 2020 2021 2022  
 TECHNICAL **3** Lowered 1/5/18  
 BETA **.75** (1.00 = Market)

LEGENDS  
 1.60 x Dividends p sh divided by Interest Rate  
 Relative Price Strength  
 4-for-3 split 12/05  
 5-for-4 split 9/13  
 Options: Yes  
 Shaded area indicates recession

2020-22 PROJECTIONS  
 Ann'l Total Return  
 Price Gain Return  
 High 45 (+15%) 6%  
 Low 35 (-10%) Nil

Insider Decisions  
 M A M J J A S O N  
 to Buy 0 0 0 0 0 0 0 0 0 0  
 Options 7 7 0 1 7 0 1 8 0  
 to Sell 0 0 0 2 0 0 1 0 1

Institutional Decisions  
 1Q2017 2Q2017 3Q2017  
 to Buy 179 172 187  
 to Sell 180 155 120  
 Hlds(000) 103594 104564 105796

Percent shares traded

% TOT. RETURN 12/17  
 THIS STOCK VL ARITH. INDEX  
 1 yr. 33.8 15.8  
 3 yr. 58.1 30.1  
 5 yr. 118.0 92.5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
2.16	2.28	2.38	2.78	3.08	3.23	3.61	3.71	3.93	4.21	4.10	4.32	4.32	4.37	4.61	4.62	4.50	4.70	Revenues per sh	6.05
.69	.76	.77	.87	.97	1.01	1.10	1.14	1.29	1.42	1.45	1.51	1.82	1.89	1.87	2.07	2.15	2.25	"Cash Flow" per sh	2.75
.41	.43	.46	.51	.57	.56	.57	.58	.62	.72	.83	.87	1.16	1.20	1.14	1.32	1.36	1.45	Earnings per sh A	1.85
.24	.26	.28	.29	.32	.35	.38	.41	.44	.47	.50	.54	.58	.63	.69	.74	.79	.85	Div'd Decl'd per sh B	1.15
.87	.96	1.06	1.23	1.47	1.64	1.43	1.58	1.66	1.89	1.90	1.98	1.73	1.84	2.07	2.16	2.55	2.45	Cap'l Spending per sh	2.25
3.32	3.49	4.27	4.71	5.04	5.57	5.85	6.26	6.50	6.81	7.21	7.90	8.63	9.27	9.78	10.43	11.10	11.75	Book Value per sh	14.85
142.47	141.49	154.31	158.97	161.21	165.41	166.75	169.21	170.61	172.46	173.60	175.43	177.93	178.59	176.54	177.39	178.00	178.50	Common Shs Outst'g C	180.00
23.6	23.6	24.5	25.1	31.8	34.7	32.0	24.9	23.1	21.1	21.3	21.9	21.2	20.8	23.5	23.9	24.5		Avg Ann'l P/E Ratio	21.0
1.21	1.29	1.40	1.33	1.69	1.87	1.70	1.50	1.54	1.34	1.34	1.39	1.19	1.09	1.18	1.26	1.20		Relative P/E Ratio	1.30
2.5%	2.5%	2.5%	2.3%	1.8%	1.8%	2.1%	2.8%	3.1%	3.1%	2.8%	2.8%	2.4%	2.5%	2.6%	2.3%	2.4%		Avg Ann'l Div'd Yield	2.9%

**CAPITAL STRUCTURE as of 9/30/17**  
 Total Debt \$2058.2 mill. Due in 5 Yrs \$430.5 mill.  
 LT Debt \$1952.5 mill. LT Interest \$80.0 mill. (50% of Cap'l)

602.5	627.0	670.5	726.1	712.0	757.8	768.6	779.9	814.2	819.9	800	840	840	819.9	800	840	840	819.9	Revenues (\$mill)	1085
95.0	97.9	104.4	124.0	144.8	153.1	205.0	213.9	201.8	234.2	245	260	260	234.2	245	260	260	234.2	Net Profit (\$mill)	335
38.9%	39.7%	39.4%	39.2%	32.9%	39.0%	10.0%	10.5%	6.9%	8.2%	9.0%	9.0%	9.0%	6.9%	8.2%	9.0%	9.0%	9.0%	Income Tax Rate	10.0%
--	--	--	--	--	--	1.1%	2.4%	3.1%	3.8%	3.5%	3.0%	3.0%	4.0%	4.8%	4.7%	4.0%	4.0%	AFUDC % to Net Profit	3.5%
55.4%	54.1%	55.6%	56.6%	52.7%	52.7%	48.9%	48.5%	50.3%	48.4%	47.0%	49.0%	49.0%	48.4%	47.0%	49.0%	49.0%	49.0%	Long-Term Debt Ratio	51.0%
44.6%	45.9%	44.4%	43.4%	47.3%	47.3%	51.1%	51.5%	49.7%	51.6%	53.0%	51.0%	51.0%	51.6%	53.0%	51.0%	51.0%	51.0%	Common Equity Ratio	49.0%
2191.4	2306.6	2495.5	2706.2	2646.8	2929.7	3003.6	3216.0	3469.5	3587.7	3735	4100	4100	3469.5	3587.7	3735	4100	4100	Total Capital (\$mill)	5500
2792.8	2997.4	3227.3	3469.3	3612.9	3936.2	4167.3	4402.0	4688.9	5001.6	5080	5275	5275	4688.9	5001.6	5080	5275	5275	Net Plant (\$mill)	5800
5.9%	5.7%	5.6%	5.9%	6.9%	6.9%	8.0%	7.8%	6.9%	7.6%	7.5%	7.5%	7.5%	6.9%	7.6%	7.5%	7.5%	7.5%	Return on Total Cap'l	7.5%
9.7%	9.3%	9.4%	10.6%	11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	12.5%	12.5%	12.5%	11.7%	12.7%	12.5%	12.5%	12.5%	Return on Shr. Equity	12.5%
9.7%	9.3%	9.4%	10.6%	11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	12.5%	12.5%	12.5%	11.7%	12.7%	12.5%	12.5%	12.5%	Return on Com Equity	12.5%
3.2%	2.8%	2.7%	3.7%	4.6%	4.3%	6.7%	6.1%	4.7%	5.6%	5.5%	5.0%	5.0%	4.7%	5.6%	5.5%	5.0%	5.0%	Retained to Com Eq	4.5%
67%	70%	72%	65%	60%	61%	50%	52%	60%	56%	58%	59%	59%	60%	56%	58%	59%	59%	All Div'ds to Net Prof	62%

**MARKET CAP: \$6.9 billion (Large Cap)**

**CURRENT POSITION (SMILL.)**  
 2015 2016 9/30/17  
 Cash Assets 3.2 3.7 4.1  
 Receivables 99.1 97.4 104.9  
 Inventory (AvgCst) 12.4 13.0 16.6  
 Other 13.7 14.6 12.7  
 Current Assets 128.4 128.7 138.3  
 Accts Payable 56.5 59.9 63.4  
 Debt Due 52.3 157.2 105.7  
 Other 84.4 84.4 83.9  
 Current Liab. 193.2 301.5 253.0

**BUSINESS:** Aqua America, Inc. is the holding company for water and wastewater utilities that serve approximately three million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana, and five other states. Has 1,551 employees. Acquired AquaSource, 7/13; North Maine Utilities, 7/15; and others. Water supply revenues '2016: residential, 59%; commercial, 16%; industrial, wastewater & other, 25%. Off. & dir. own less than 1% of the common stock; Vangurad Group, 8.9%; Blackrock, Inc. 8.1%; State Street Capital, 6.0% (3/17 Proxy). President & Chief Executive Officer: Christopher Franklin. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Tel.: 610-525-1400. Internet: www.aquaamerica.com.

**Our earnings estimates for Aqua America remain unchanged.** But we have lowered our revenue forecast for both last year's fourth quarter and 2018 as water sales have been declining. On the positive side, the water utility's operating expenses have been decreasing at a higher rate thanks to lower power and chemical costs. Indeed, we think Aqua's 2017 share net came in at \$1.36, versus 2016's tough \$1.32 comparison. Rate relief granted by several states over the past 12 months will be in effect all of this year. This, plus expected new hikes in Virginia and Indiana, should enable Aqua's share earning to climb a healthy 7%, to \$1.45.

**Acquisitions are being made at a modest pace.** Due to the fragmentation in the market (there are over 100,000 separate water districts in the U.S.), large-cap water utilities such as Aqua are continuously buying small water entities. Also, most of these authorities do not have the funds required to replace and upgrade their aging network of pipes and waste systems. Not only do the bigger water entities have the funds available for the needed capital outlays, they are also able to realize significant cost saving because the industry is rife with redundancies. The company's acquisitions made through September of last year combined with organic growth, led to only a 0.8% increase in the customer base. Management has targeted annual growth to be approximately 1.5%-2.0%, so we expect the pace to possible accelerate here.

**Aqua has a healthy balance sheet.** Of the nine members in this group, only two merit an "A" Financial Strength rating. This leaves the company with the capacity to borrow to buy more water assets. In addition, Aqua's policy of hardly issuing any new equity is a real positive. With the stock near its all-time high, a new equity offering would probably be well received, as institutional demand for large-cap water utilities stock remains strong.

**These shares are timely.** Also, even though WTR's long-term total return potential isn't great, it is more attractive than most other mid- and large-cap stocks in this group. So, investors that must own a water utility equity may find WTR of interest.

*James A. Flood* *January 12, 2018*

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2014	182.7 195.3 210.5 191.4	779.9
2015	190.3 205.8 221.0 197.1	814.2
2016	192.6 203.9 226.6 196.8	819.9
2017	187.8 203.4 215.0 193.8	800
2018	195 215 225 205	840

Cal-endar	EARNINGS PER SHARE A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2014	.24 .31 .38 .27	1.20
2015	.27 .32 .38 .17	1.14
2016	.29 .34 .41 .28	1.32
2017	.28 .34 .43 .31	1.36
2018	.30 .37 .46 .32	1.45

Cal-endar	QUARTERLY DIVIDENDS PAID B	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2014	.152 .152 .165 .165	.63
2015	.165 .165 .178 .178	.69
2016	.178 .178 .1913 .1913	.74
2017	.1913 .1913 .2047 .2047	.79
2018		

(A) Diluted eps. Excl. nonrec. gains: '01, 2¢; '02, 4¢; '03, 3¢; '12, 18¢. Excl. gain from disc. operations: '12, 7¢; '13, 9¢; '14, 11¢. May not sum due to rounding. Next earnings report due mid-February.

(B) Dividends historically paid in early March, June, Sept. & Dec. ■ Div'd. reinvestment plan available (5% discount).

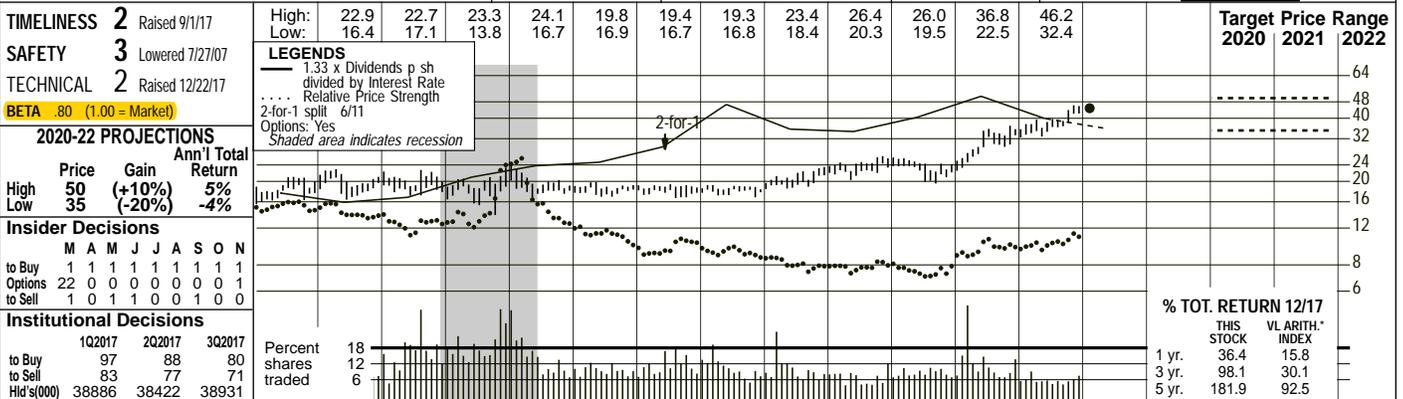
(C) In millions, adjusted for stock splits.

© 2018 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

**Company's Financial Strength** A  
**Stock's Price Stability** 95  
**Price Growth Persistence** 65  
**Earnings Predictability** 90

**To subscribe call 1-800-VALUELINE**

**CALIFORNIA WATER** NYSE-CWT RECENT PRICE **44.70** P/E RATIO **30.0** (Trailing: 31.5 Median: 20.0) RELATIVE P/E RATIO **1.46** DIV'D YLD **1.6%** **VALUE LINE**



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
8.13	8.67	8.18	8.59	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.70	14.10	Revenues per sh	15.00
1.10	1.32	1.26	1.42	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	2.70	2.90	"Cash Flow" per sh	3.25
.47	.63	.61	.73	.74	.67	.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.55	Earnings per sh A	1.85
.56	.56	.56	.57	.57	.58	.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	Div'd Decl'd per sh B	1.02
2.04	2.91	2.19	1.87	2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	3.85	3.65	Cap'l Spending per sh	3.65
6.48	6.56	7.22	7.83	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.30	14.75	Book Value per sh C	16.50
30.36	30.36	33.86	36.73	36.78	41.31	41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.25	48.50	Common Shs Outst'g D	50.00
27.1	19.8	22.1	20.1	24.9	29.2	26.1	19.8	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9		Avg Ann'l P/E Ratio	23.0
1.39	1.08	1.26	1.06	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.56	1.31		Relative P/E Ratio	1.45
4.4%	4.5%	4.2%	3.9%	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%		Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 9/30/17		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22	
Total Debt \$750.8 mill. Due in 5 Yrs \$174.0 mill.		367.1	410.3	449.4	460.4	501.8	560.0	584.1	597.5	588.3	609.4	660	685	685	685	685	685	685	685	685	Revenues (\$mill) E	750
LT Debt \$519.7 mill. LT Interest \$35.0 mill. (44% of Cap'l)		31.2	39.8	40.6	37.7	36.1	42.6	47.3	56.7	45.0	48.7	68.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	Net Profit (\$mill)	93.0
Pension Assets-12/16 \$376.5 mill. Oblig. \$564.8 mill.		39.9%	37.7%	40.3%	39.5%	40.5%	37.5%	30.3%	33.0%	36.0%	35.5%	35.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	Income Tax Rate	21.0%
Pfd Stock None		8.3%	8.6%	7.6%	4.2%	7.6%	8.0%	4.3%	2.7%	4.3%	6.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
Common Stock 48,015,000 shs.		42.9%	41.6%	47.1%	52.4%	51.7%	47.8%	41.6%	40.1%	44.4%	44.6%	43.0%	44.4%	44.4%	44.4%	44.4%	44.4%	44.4%	44.4%	44.4%	Long-Term Debt Ratio	42.0%
MARKET CAP: \$2.1 billion (Mid Cap)		56.6%	58.4%	52.9%	47.6%	48.3%	52.2%	58.4%	59.9%	55.6%	55.4%	57.0%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	Common Equity Ratio	58.0%
CURRENT POSITION		674.9	690.4	794.9	914.7	931.5	908.2	1024.9	1045.9	1154.4	1191.2	1215	1290	1290	1290	1290	1290	1290	1290	1290	Total Capital (\$mill)	1425
		1010.2	1112.4	1198.1	1294.3	1381.1	1457.1	1515.8	1590.4	1701.8	1859.3	1900	1930	1930	1930	1930	1930	1930	1930	1930	Net Plant (\$mill)	2000
		5.9%	7.1%	6.5%	5.5%	5.5%	6.3%	6.0%	6.3%	5.2%	5.5%	6.5%	7.0%	7.0%	7.4%	10.0%	10.5%	10.5%	10.5%	10.5%	Return on Total Cap'l	7.5%
		8.1%	9.9%	9.6%	8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	10.0%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	Return on Shr. Equity	11.0%
		8.1%	9.9%	9.6%	8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	10.0%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	Return on Com Equity	11.0%
		1.8%	3.8%	3.8%	3.0%	2.3%	3.4%	3.4%	4.1%	2.0%	2.4%	4.5%	5.5%	5.5%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	Retained to Com Eq	5.0%
		77%	61%	60%	66%	71%	62%	56%	55%	71%	68%	51%	49%	49%	49%	49%	49%	49%	49%	49%	All Div'ds to Net Prof	55%

**BUSINESS:** California Water Service Group provides regulated and nonregulated water service to 482,400 customers in 100 communities in the state of California. Accounts for over 94% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '16: residential, 72%; business, 20%; industrial, 4%; public authorities, 3%; other 1%. Off. and dir. own 1% of common stock (4/17 proxy). Has 1,163 employees. Pres. and CEO: Martin A. Kropelnicki Inc.: DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

**California Water Service Group stock is trading around recently established all-time highs.** The regulated water utility wrapped up 2017 by surging through the \$45-per-share price threshold on more than one occasion, with shares rising 33% on the year. Since our previous review, the equity is up more than 10% in value. Indeed, the investment community has handsomely rewarded the company for delivering consistent top- and bottom-line growth, quarter to quarter. However, fourth-quarter share-net may slip by two cents. For 2018, our ranking system suggests another strong performance may be in store, as CWT shares are poised to outpace the year-ahead broader market averages (Timeliness: 2).

**We think the positives will continue to outweigh the negatives here.** California Water Service is enjoying the fruits of recent rate increases by the California regulatory authority. In fact, the decision has added more than \$30 million in incremental revenues so far. In addition, favorable changes to the corporate tax rate should help lift profits this year. To address the latter, the company's operating expenses are still on the rise, despite some progress in the second quarter. Water costs (only investment upgrades can be recouped) from greater customer usage, as well as periodic increases in wholesale supplier rates, are pushing expenses higher. Overall, we are adding \$10 million and \$0.10 to our 2018 revenue and earnings estimates, to \$685 million and \$1.55 a share, respectively.

**Aggressive infrastructure spending remains on tap through next decade.** As previously noted, California has close to \$500 million left on its investment budget, and has earmarked the funds for upgrades to its aging infrastructure and water systems. On top of that, these improvements are likely to be accompanied by bolt-on acquisitions.

**This issue is best suited for short-term accounts.** On the other hand, CWT shares have been on a multiyear price ascent and, as a result, total return potential 3 to 5 years out is unappealing. Thus, we think investors with a longer-term holding period can find more-attractive options elsewhere, at this time.

*Nicholas P. Patrikis January 12, 2018*

Cal-endar	QUARTERLY REVENUES (\$ mill) E	Full Year
2014	110.5 158.4 191.2 137.4	597.5
2015	122.0 144.4 183.5 138.4	588.3
2016	121.7 152.4 184.3 151.0	609.4
2017	122.0 171.1 211.7 155.2	660
2018	130 175 215 165	685

Cal-endar	EARNINGS PER SHARE A	Full Year
2014	d.11 .36 .70 .24	1.19
2015	.03 .21 .52 .18	.94
2016	d.02 .24 .48 .31	1.01
2017	.02 .39 .70 .29	1.40
2018	.08 .42 .72 .33	1.55

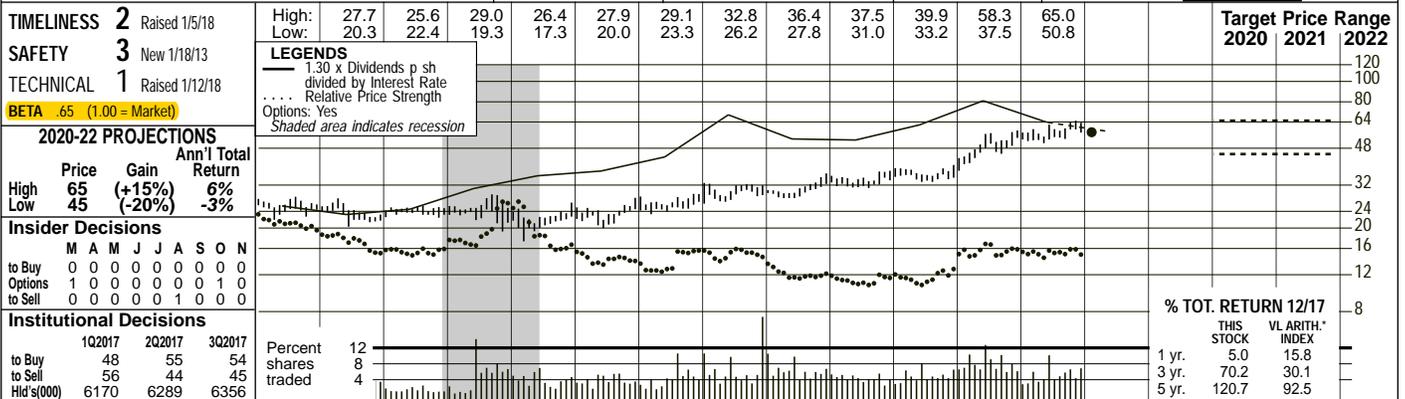
  

Cal-endar	QUARTERLY DIVIDENDS PAID B	Full Year
2014	.1625 .1625 .1625 .1625	.65
2015	.1675 .1675 .1675 .1675	.67
2016	.1725 .1725 .1725 .1725	.69
2017	.18 .18 .18 .18	.72
2018		

(A) Basic EPS. Excl. nonrecurring gain (loss): '01, 2c; '02, 4c; '11, 4c. Next earnings report due late February. (B) Dividends historically paid in late Feb., May, Aug., and Nov. Div'd reinvestment plan available. (C) Incl. intangible assets. In '16: \$21.9 mill., \$0.46/sh. (D) In millions, adjusted for splits. (E) Excludes non-reg. rev. Company's Financial Strength B++ Stock's Price Stability 80 Price Growth Persistence 35 Earnings Predictability 65

To subscribe call 1-800-VALUELINE

<b>CONNECTICUT WATER</b> NDQ-CTWS										RECENT PRICE	57.13	P/E RATIO	25.1 (Trailing: 27.7 Median: 20.0)	RELATIVE P/E RATIO	1.22	DIV'D YLD	2.1%	<b>VALUE LINE</b>
-----------------------------------	--	--	--	--	--	--	--	--	--	--------------	-------	-----------	------------------------------------	--------------------	------	-----------	------	-------------------



<b>2020-22 PROJECTIONS</b>																	
Price		Gain		Ann'l Total													
High	65	(+15%)	6%														
Low	45	(-20%)	-3%														
<b>Insider Decisions</b>																	
M A M J A S O N																	
to Buy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Options	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Institutional Decisions</b>																	
1Q2017		2Q2017		3Q2017													
to Buy	48	55	54														
to Sell	56	44	45														
Hlds(000)	6170	6289	6356														
Percent shares traded																	
12 8 4																	
% TOT. RETURN 12/17																	
THIS STOCK VL ARITH. INDEX																	
1 yr. 5.0 15.8																	
3 yr. 70.2 30.1																	
5 yr. 120.7 92.5																	

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
5.93	5.77	5.91	6.04	5.81	5.68	7.05	7.24	6.93	7.65	7.93	9.47	8.29	8.45	8.58	8.77	8.75	9.55	Revenues per sh	12.80
1.78	1.78	1.89	1.91	1.62	1.52	1.90	1.95	1.93	2.04	2.11	2.64	2.63	2.97	3.18	3.31	3.35	3.55	"Cash Flow" per sh	4.10
1.13	1.12	1.15	1.16	.88	.81	1.05	1.11	1.19	1.13	1.13	1.53	1.66	1.92	2.04	2.08	2.20	2.40	Earnings per sh A	2.90
.80	.81	.83	.84	.85	.86	.87	.88	.90	.92	.94	.96	.98	1.01	1.05	1.12	1.18	1.24	Div'd Decl'd per sh B	1.46
1.86	1.98	1.49	1.58	1.96	1.96	2.24	2.44	3.28	3.06	2.61	2.79	3.02	4.11	4.29	5.93	4.50	4.35	Cap'l Spending per sh	3.35
9.25	10.06	10.46	10.94	11.52	11.60	11.95	12.23	12.67	13.05	13.50	20.95	17.92	18.83	20.01	20.98	24.40	24.50	Book Value per sh D	26.80
7.65	7.94	7.97	8.04	8.17	8.27	8.38	8.46	8.57	8.68	8.76	8.85	11.04	11.12	11.19	11.25	12.10	12.25	Common Shs Outst'g C	12.50
21.5	24.3	23.5	22.9	28.6	29.0	23.0	22.2	18.4	20.7	23.0	19.4	18.4	17.5	17.6	23.3	25.7		Avg Ann'l P/E Ratio	19.0
1.10	1.33	1.34	1.21	1.52	1.57	1.22	1.34	1.23	1.32	1.44	1.23	1.03	.92	.89	1.22	1.25		Relative P/E Ratio	1.20
3.3%	3.0%	3.0%	3.1%	3.4%	3.6%	3.6%	3.6%	4.1%	3.9%	3.6%	3.2%	3.2%	3.0%	2.9%	2.3%	2.1%		Avg Ann'l Div'd Yield	2.7%

<b>CAPITAL STRUCTURE as of 9/30/17</b>																	
Total Debt \$263.2 mill. Due in 5 Yrs \$19.8 mill.																	
LT Debt \$255.2 mill. LT Interest \$8.8 mill. (47% of Cap'l)																	
Leases, Uncapitalized: Annual rentals \$.3 mill.																	
Pension Assets-12/16 \$62.7 mill. Oblig. \$79.3 mill.																	
Pfd Stock \$0.8 mill. Pfd Divd NMF																	
Common Stock 12,068,299 shs.																	
<b>MARKET CAP: \$700 million (Small Cap)</b>																	
<b>CURRENT POSITION</b>																	
(SMILL.)																	
Cash Assets	.7		1.6		8.3												
Accounts Receivable	11.0		13.0		15.6												
Other	15.3		14.8		23.2												
Current Assets	27.0		29.4		47.1												
Accts Payable	11.9		13.1		8.6												
Debt Due	2.8		4.9		8.0												
Other	22.2		37.1		23.2												
Current Liab.	36.9		55.1		39.8												

<b>ANNUAL RATES</b>																	
Past Past Est'd '14-'16																	
of change (per sh) 10 Yrs. 5 Yrs. to '20-'22																	
Revenues	4.0%		3.0%		7.0%												
"Cash Flow"	6.5%		9.5%		4.5%												
Earnings	8.0%		12.0%		6.5%												
Dividends	2.5%		3.0%		5.5%												
Book Value	6.0%		9.0%		5.0%												

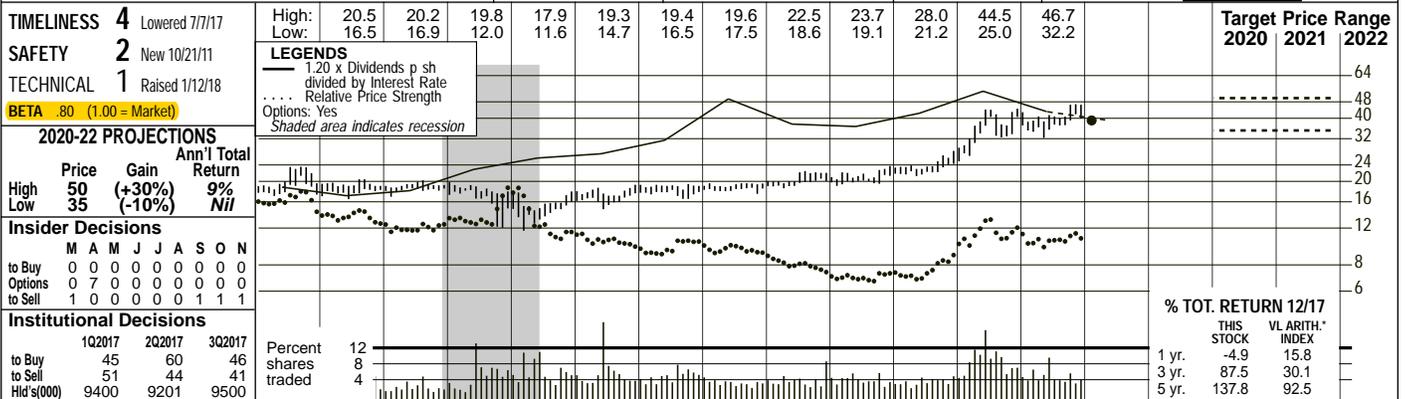
<b>CONNECTICUT WATER SERVICE reported third-quarter financial results in line with our expectations.</b>																	
Revenues of \$31.8 million rose 8%, year over year, while earnings of \$0.90 per share logged a similar advance. There were several noteworthy highlights during the September period. These consist of the completion and inclusion of the Heritage Village Water and Avon Water acquisitions, which added about 9,500 customers and \$2.4 million to the top line. Moreover, Connecticut finalized a \$30 million water treatment facility upgrade.																	

<b>Business:</b> Connecticut Water Service, Inc. is a non-operating holding company, whose income is derived from earnings of its wholly-owned subsidiary companies (regulated water utilities). In 2016, 95% of net income was derived from these activities. Provides water services to 440,000 people in 79 municipalities throughout Connecticut and Maine. Acquired The Maine Water Company, January, 2012; Biddeford and Saco Water, December, 2012; Heritage Village, February, 2017. Inc.: Conn.. Has 266 employees. Chairman/President/Chief Executive Officer: Eric W. Thornburg. Officers and directors own 2.5% of the common stock; BlackRock, Inc., 7.2% (4/17 proxy). Address: 93 West Main Street, Clinton, CT 06413. Telephone: (860) 669-8636. Internet: www.ctwater.com.																	
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

<b>The company has received approval to raise its rates.</b> As noted in our previous review, Connecticut Water's subsidiary, The Maine Water Company, filed for a rate hike to recoup about \$5 million in past water system upgrades and associated operating costs. The rate increase (effective as of December 1st) will impact roughly 16,500 customers and lift its annual revenue haul by more than \$1.5 million. <b>Additional hikes are expected down the road.</b> No doubt, infrastructure upgrades are apt to persist over the pull to next decade, as the push to revamp outdated water pipes and mains continues to be the primary focus for most water utilities. Improvements in water treatment plants are also in the cards. Over the course of this year, we believe CTWS will match its 2017 spending budget, at around \$66 million. As always, to help fund (or recoup) these investments, we expect periodic rate filings to come across the public utilities commission's desk. <b>We have modestly raised our 2018 top- and bottom-line estimates.</b> Due to the abovementioned rate approval and wider customer base, we are adding \$2 million and \$0.05 to this year's revenue and earnings forecasts, to \$117 million and \$2.40 a share, respectively. Meanwhile, our financial projections for 2017 are unchanged. <b>This issue ought to appeal primarily to those with a short-term strategy (Timeliness: 2).</b> On the other hand, shares of CTWS are already trading well within our 3- to 5-year Target Price Range. Therefore, we recommend longer-term accounts wait on the sidelines for a more attractive entry point. <i>Nicholas P. Patrikis January 12, 2018</i>																	
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(A) Diluted earnings. Next earnings report due late February.	(C) In millions	Company's Financial Strength	B+
(B) Dividends historically paid in mid-March, June, September, and December. ■ Div'd reinvestment plan available.	(D) Includes intangibles. In 2016: \$30.4 million/\$2.70 a share.	Stock's Price Stability	90
		Price Growth Persistence	50
		Earnings Predictability	85

<b>MIDDLESEX WATER</b> NDQ-MSEX	RECENT PRICE <b>39.09</b>	P/E RATIO <b>25.9</b> (Trailing: 31.3, Median: 20.0)	RELATIVE P/E RATIO <b>1.26</b>	DIV'D YLD <b>2.3%</b>	<b>VALUE LINE</b>
---------------------------------	---------------------------	--	--------------------------------	-----------------------	-------------------



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
Price	5.87	5.98	6.12	6.25	6.44	6.16	6.50	6.79	6.75	6.60	6.50	6.98	7.19	7.26	7.77	8.16	8.10	8.55	9.40
Gain	1.18	1.20	1.15	1.28	1.33	1.33	1.49	1.53	1.40	1.55	1.46	1.56	1.72	1.84	1.97	2.17	2.25	2.55	3.15
Div'd	.66	.73	.61	.73	.71	.82	.87	.89	.72	.96	.84	.90	1.03	1.13	1.22	1.38	1.40	1.65	2.10
Decl'd	.62	.63	.65	.66	.67	.68	.69	.70	.71	.72	.73	.74	.75	.76	.78	.81	.86	.91	1.06
Cap'l Spndg	1.25	1.59	1.87	2.54	2.18	2.31	1.66	2.12	1.49	1.90	1.50	1.36	1.26	1.40	1.59	2.91	1.80	1.90	2.05
Book Value	7.11	7.39	7.60	8.02	8.26	9.52	10.05	10.03	10.33	11.13	11.27	11.48	11.82	12.24	12.74	13.40	13.95	14.65	16.75
Common Shs	10.17	10.36	10.48	11.36	11.58	13.17	13.25	13.40	13.52	15.57	15.70	15.82	15.96	16.12	16.23	16.30	16.50	16.75	17.00
Avg Ann'l P/E	24.6	23.5	30.0	26.4	27.4	22.7	21.6	19.8	21.0	17.8	21.7	20.8	19.7	18.5	19.1	25.6	28.0		21.0
Relative P/E	1.26	1.28	1.71	1.39	1.46	1.23	1.15	1.19	1.40	1.13	1.36	1.32	1.11	.97	.96	1.35	1.37		1.30
Avg Ann'l Div'd Yld	3.8%	3.7%	3.5%	3.4%	3.5%	3.7%	3.7%	4.0%	4.7%	4.2%	4.0%	4.0%	3.7%	3.7%	3.3%	2.3%	2.2%		2.5%

Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
Revenues per sh	5.87	5.98	6.12	6.25	6.44	6.16	6.50	6.79	6.75	6.60	6.50	6.98	7.19	7.26	7.77	8.16	8.10	8.55	9.40
Cash Flow per sh	1.18	1.20	1.15	1.28	1.33	1.33	1.49	1.53	1.40	1.55	1.46	1.56	1.72	1.84	1.97	2.17	2.25	2.55	3.15
Earnings per sh	.66	.73	.61	.73	.71	.82	.87	.89	.72	.96	.84	.90	1.03	1.13	1.22	1.38	1.40	1.65	2.10
Div'd Decl'd per sh	.62	.63	.65	.66	.67	.68	.69	.70	.71	.72	.73	.74	.75	.76	.78	.81	.86	.91	1.06
Cap'l Spndg per sh	1.25	1.59	1.87	2.54	2.18	2.31	1.66	2.12	1.49	1.90	1.50	1.36	1.26	1.40	1.59	2.91	1.80	1.90	2.05
Book Value per sh	7.11	7.39	7.60	8.02	8.26	9.52	10.05	10.03	10.33	11.13	11.27	11.48	11.82	12.24	12.74	13.40	13.95	14.65	16.75
Common Shs Outst'g	10.17	10.36	10.48	11.36	11.58	13.17	13.25	13.40	13.52	15.57	15.70	15.82	15.96	16.12	16.23	16.30	16.50	16.75	17.00
Avg Ann'l P/E Ratio	24.6	23.5	30.0	26.4	27.4	22.7	21.6	19.8	21.0	17.8	21.7	20.8	19.7	18.5	19.1	25.6	28.0		21.0
Relative P/E Ratio	1.26	1.28	1.71	1.39	1.46	1.23	1.15	1.19	1.40	1.13	1.36	1.32	1.11	.97	.96	1.35	1.37		1.30
Avg Ann'l Div'd Yield	3.8%	3.7%	3.5%	3.4%	3.5%	3.7%	3.7%	4.0%	4.7%	4.2%	4.0%	4.0%	3.7%	3.7%	3.3%	2.3%	2.2%		2.5%

Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
Revenues (\$mill)	86.1	91.0	91.2	102.7	102.1	110.4	114.8	117.1	126.0	132.9	134	143	143	160	160	160	160	160	160
Net Profit (\$mill)	11.8	12.2	10.0	14.3	13.4	14.4	16.6	18.4	20.0	22.7	23.0	27.5	27.5	35.5	35.5	35.5	35.5	35.5	35.5
Income Tax Rate	32.6%	33.2%	34.1%	32.1%	32.7%	33.9%	34.1%	35.0%	34.5%	34.0%	32.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
AFUDC % to Net Profit	--	--	--	6.8%	6.1%	3.4%	1.9%	1.7%	1.9%	2.7%	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Long-Term Debt Ratio	49.0%	45.6%	46.6%	43.1%	42.3%	41.5%	40.4%	40.5%	39.4%	37.9%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Common Equity Ratio	49.6%	51.8%	52.1%	55.8%	56.6%	57.4%	58.7%	58.8%	59.8%	61.5%	62.0%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%
Total Capital (\$mill)	268.8	259.4	267.9	310.5	312.5	316.5	321.4	335.8	345.4	355.4	370	390	390	460	460	460	460	460	460
Net Plant (\$mill)	333.9	366.3	376.5	405.9	422.2	435.2	446.5	465.4	481.9	517.8	525	535	535	575	575	575	575	575	575
Return on Total Cap'l	5.6%	5.8%	5.0%	5.7%	5.2%	5.4%	5.9%	6.3%	6.6%	7.1%	7.0%	7.5%	7.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Return on Shr. Equity	8.6%	8.6%	7.0%	8.1%	7.5%	7.8%	8.7%	9.2%	9.6%	10.3%	10.0%	11.5%	11.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Return on Com Equity	8.7%	8.9%	7.0%	8.2%	7.5%	7.8%	8.7%	9.3%	9.6%	10.3%	10.0%	11.5%	11.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Retained to Com Eq	1.8%	2.0%	.1%	2.1%	1.0%	1.4%	2.4%	3.1%	3.5%	4.3%	4.0%	5.0%	5.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
All Div'ds to Net Prof	79%	78%	98%	75%	87%	83%	73%	67%	63%	58%	61%	55%	55%	55%	55%	55%	55%	55%	55%

**Business:** Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2016, the Middlesex System accounted for 60% of operating revenues. At 12/31/16, the company had 309 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 3.5% of the common stock; BlackRock Institutional Trust Co., 7.2% (4/17 proxy). Add.: 1500 Ronson Road, Iselin, NJ 08830. Tel.: 732-634-1500. Internet: www.middlesexwater.com.

**Middlesex Water Company's battle with mother nature has yet to subside.** The story hasn't changed much over the past three months, as weather-related disruptions took a toll on its top line once again. Operating in the Northeast region of the U.S. leaves MSEX vulnerable to extremely volatile weather conditions, which can noticeably impact customer water consumption. Specifically, its Middlesex New Jersey operations saw revenues contract \$1.8 million, year over year, due to softer consumption, while its Delaware utility system was essentially flat, thanks to contributions from added residential customers during the period. Overall, Middlesex generated \$36.2 million in revenues for the September period, \$1.6 million less than last year's haul. This has spurred us to trim \$3.0 million off our 2017 top-line forecast, to \$134 million.

**The outlook for profit growth in 2018 is good.** Operating margins ought to remain relatively steady, with few changes to the cost structure expected. Meantime, a reduced income tax rate (new tax act and various investment spending deductions) is the main driver behind our improved perspective. All told, we look for earnings to expand 18% this year, to \$1.65 a share (+0.05), on revenues of \$143 million (-\$2.0 million).

**Long-term, infrastructure upgrades ought to bear fruit.** Approximately \$12 million per year (for the next three years) is earmarked for the replacement of aging water mains, valves, and other infrastructure upgrades. **The company boosted its quarterly dividend payout by about 6%, to \$0.224 per share.** Shareholders have enjoyed 45 years of consecutive dividend increases, and we don't think this streak will be broken anytime soon. At present, MSEX shares offer a yield that fractionally outpaces the average of all dividend paying stocks in *The Value Line Investment Survey*. **This issue is still a subpar selection for relative year-ahead price performance (Timeliness: 4).** What's more, total return potential over the pull to 2020-2022 is nothing to write home about. Thus, we think investors can find better options elsewhere, at this juncture.

(A) Diluted earnings. Next earnings report due early February.	(B) Dividends historically paid in mid-Feb., May, Aug., and November. Div'd reinvestment plan available.	(C) In millions, adjusted for split.	Company's Financial Strength	B++
			Stock's Price Stability	70
			Price Growth Persistence	40
			Earnings Predictability	80

<b>SJW GROUP</b> NYSE-SJW	RECENT PRICE <b>63.47</b>	P/E RATIO <b>23.6</b> (Trailing: 23.6 Median: 23.0)	RELATIVE P/E RATIO <b>1.15</b>	DIV'D YLD <b>1.4%</b>	<b>VALUE LINE</b>
---------------------------	---------------------------	---	--------------------------------	-----------------------	-------------------

<b>TIMELINESS</b> 3 Raised 6/30/17	High: 45.3 43.0 35.1 30.4 28.2 26.8 26.9 30.1 33.7 35.7 56.9 69.3	Low: 21.2 27.7 20.0 18.2 21.6 20.9 22.6 24.5 25.5 27.5 28.6 45.4	Target Price Range 2020 2021 2022
<b>SAFETY</b> 3 New 4/22/11	<b>LEGENDS</b> 1.50 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 3/06 Options: Yes Shaded area indicates recession		120 100 80 64 48 32 24 20 16 12 8
<b>TECHNICAL</b> 2 Raised 1/5/18	<b>2020-22 PROJECTIONS</b>		
<b>BETA</b> .70 (1.00 = Market)	Price <b>90</b> Gain <b>(+40%)</b> Ann'l Total Return <b>11%</b>	High <b>90</b> Low <b>60</b> Gain <b>(-5%)</b>	
<b>Insider Decisions</b>			
M A M J J A S O N to Buy 0 0 0 0 0 0 0 0 0 0 Options 6 8 0 0 0 0 0 0 1 to Sell 0 0 0 0 0 1 0 0 0			
<b>Institutional Decisions</b>			
1Q2017 2Q2017 3Q2017 to Buy 83 67 74 to Sell 59 73 56 Hlds(000) 10726 10969 12340			
Percent shares traded			

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
7.45	7.97	8.20	9.14	9.86	10.35	11.25	12.12	11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.10	17.95	Revenues per sh	21.10
1.49	1.55	1.75	1.89	2.21	2.38	2.30	2.44	2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	4.60	4.90	"Cash Flow" per sh	5.65
.77	.78	.91	.87	1.12	1.19	1.04	1.08	.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.60	2.85	Earnings per sh A	3.45
.43	.46	.49	.51	.53	.57	.61	.65	.66	.68	.69	.71	.73	.75	.78	.81	1.04	.93	Div'd Decl'd per sh B	1.18
2.63	2.06	3.41	2.31	2.83	3.87	6.62	3.79	3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	6.00	5.50	Cap'l Spending per sh	5.00
8.17	8.40	9.11	10.11	10.72	12.48	12.90	13.99	13.66	13.75	14.20	14.71	15.92	17.75	18.83	20.61	21.65	22.05	Book Value per sh	24.60
18.27	18.27	18.27	18.27	18.27	18.28	18.36	18.18	18.50	18.55	18.59	18.67	20.17	20.29	20.38	20.46	21.00	22.00	Common Shs Outst'g C	23.00
18.5	17.3	15.4	19.6	19.7	23.5	33.4	26.2	28.7	29.1	21.2	20.4	24.3	11.2	16.6	15.7	20.7	Avg Ann'l P/E Ratio	22.0	
.95	.94	.88	1.04	1.05	1.27	1.77	1.58	1.91	1.85	1.33	1.30	1.37	.59	.84	.83	1.01	Relative P/E Ratio	1.40	
3.0%	3.4%	3.5%	3.0%	2.4%	2.0%	1.7%	2.3%	2.8%	2.8%	2.9%	3.0%	2.7%	2.6%	2.5%	2.0%	1.9%	Avg Ann'l Div'd Yield	1.6%	

<b>CAPITAL STRUCTURE as of 9/30/17</b>	206.6	220.3	216.1	215.6	239.0	261.5	276.9	319.7	305.1	339.7	380	395	Revenues (\$mill)	485
Total Debt \$431.0 mill. Due in 5 Yrs \$14.3 mill.	19.3	20.2	15.2	15.8	20.9	22.3	23.5	51.8	37.9	52.8	54.0	63.0	Net Profit (\$mill)	69.0
LT Debt \$431.0 mill. LT Interest \$20.0 mill. (49% of Cap'l)	39.4%	39.5%	40.4%	38.8%	41.1%	41.1%	38.7%	32.5%	38.1%	38.8%	38.0%	21.0%	Income Tax Rate	21.0%
<b>Leases, Uncapitalized:</b> Annual rentals \$6.6 mill.	2.7%	2.3%	2.0%	--	--	--	--	--	2.0%	1.0%	1.5%	1.5%	AFUDC % to Net Profit	1.5%
<b>Pension Assets-12/16</b> \$113.9 mill. <b>Oblig.</b> \$174.1 mill.	47.7%	46.0%	49.4%	53.7%	56.6%	55.0%	51.1%	51.6%	49.8%	50.7%	49.0%	48.0%	Long-Term Debt Ratio	48.0%
<b>Pfd Stock</b> None.	52.3%	54.0%	50.6%	46.3%	43.4%	45.0%	48.9%	48.4%	50.2%	49.3%	51.0%	52.0%	Common Equity Ratio	52.0%
<b>Common Stock</b> 20,520,856 shs.	453.2	470.9	499.6	550.7	607.9	610.2	656.2	744.5	764.6	855.0	890	935	Total Capital (\$mill)	1090
<b>MARKET CAP:</b> \$1.3 billion (Mid Cap)	645.5	684.2	718.5	785.5	756.2	831.6	898.7	963.0	1036.8	1146.4	1200	1250	Net Plant (\$mill)	1325
<b>CURRENT POSITION</b> 2015 2016 9/30/17 (\$MILL.)	5.7%	5.8%	4.4%	4.3%	4.9%	5.0%	5.0%	8.3%	6.3%	7.4%	7.5%	8.0%	Return on Total Cap'l	8.5%
Cash Assets	8.2%	8.0%	6.0%	6.2%	7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.0%	13.0%	Return on Shr. Equity	14.0%
Accts Receivable	8.2%	8.0%	6.0%	6.2%	7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.0%	13.0%	Return on Com Equity	14.0%
Other	3.5%	3.3%	1.2%	1.2%	3.1%	3.3%	2.8%	10.2%	5.7%	8.6%	7.0%	8.5%	Retained to Com Eq	9.0%
Current Assets	57%	59%	80%	80%	61%	59%	62%	29%	42%	31%	40%	33%	All Div'ds to Net Prof	34%
Accts Payable	<b>BUSINESS:</b> SJW Group engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 229,000 connections with a total population of roughly one million people in the San Jose area and 13,000 connections that reaches about 39,000 residents in the region between San Antonio and Austin, Texas. The company also offers nonregulated water-related services and owns and operates commercial real estate investments. Has about 406 employees. Officers and directors (including Nancy O. Moss) own 26.9% of outstanding shares (3/17 proxy). Chairman & C.E.O.: Richard Roth, Inc.: California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.													
Debt Due	<b>SJW Group has finalized the sale of its wholly-owned subsidiary, Texas Water Alliance Limited.</b> Early last year, SJW entered into an agreement with the Guadalupe-Blanco River Authority for total consideration of \$31 million. SJW netted cash proceeds of \$23.5 million, excluding a \$3 million holdback fee (due 2021). As a result of the completed sale and subsequent proceeds, the board of directors paid a special dividend of \$0.17 a share to stockholders on record as of November 29, 2017. Of note, this is in addition to its regular quarterly distribution. <b>We are boosting our 2018 financial projections for several reasons.</b> First, revenue growth is in the cards, driven by cumulative rate increases and higher customer water usage. Meantime, operating expenses have yet to abate (marginally higher in the third quarter), but we think production costs can subside somewhat next year, while administrative expenses can be held in check. Lastly, a lower effective tax rate stemming from the recent corporate tax overhaul is the primary factor underpinning our bottom-line ramp. All told, we now look for revenues of \$395 million (+\$25 million from last report's estimate) and earnings of \$2.85 a share (+\$0.25) this year. <b>Investment spending is still the main theme rolling into next decade.</b> Its spending budget, with approximately \$250 million to \$300 million in available funds, will be periodically tapped to support various projects, infrastructure upgrades, and general water system investments. Presently, management's focus is on the Montevina Water Treatment Plant project (retrofitting was expected to be completed by the end of 2017). <b>This neutrally ranked equity has etched another high-water mark.</b> Shares of the California-based utility pushed past \$65 per share for the first time in its history, before settling slightly below that level. Still, the stock logged an advance of about 10% over the past three months. While we are bullish on the company's business prospects over the pull to 2020-2022, SJW's rapid climb in share price gives us pause. In sum, we recommend investors wait for a better entry point before initiating a position here. <i>Nicholas P. Patrikis January 12, 2018</i>													
Other														
Current Liab.														

<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '20-'22	5.0%	5.5%	5.0%	7.0%	12.0%	4.5%	8.0%	20.5%	7.0%	4.0%	3.0%	7.0%	5.5%	6.5%	4.5%
Revenues "Cash Flow"															
Earnings															
Dividends															
Book Value															

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	54.6	70.4	125.4	69.3	319.7
2015	62.1	72.4	83.0	87.6	305.1
2016	61.1	86.9	112.3	79.4	339.7
2017	69.0	102.1	124.6	84.3	380
2018	75.0	105	125	90.0	395
Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.04	.34	1.88	.28	2.54
2015	.23	.36	.46	.80	1.85
2016	.16	.82	.92	.67	2.57
2017	.18	.90	.94	.58	2.60
2018	.27	.90	1.00	.68	2.85
Cal-endar	QUARTERLY DIVIDENDS PAID BD				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.1875	.1875	.1875	.1875	.75
2015	.1950	.1950	.1950	.1950	.78
2016	.2025	.2025	.2025	.2025	.81
2017	.2175	.2175	.2175	.3875	1.04
2018					

(A) Diluted earnings. Excludes nonrecurring losses: '03, \$1.97; '04, \$3.78; '05, \$1.09; '06, \$16.36; '08, \$1.22; '10, \$0.46. GAAP accounting as of 2013. Next earnings report due late February. Quarterly earnings may not add due to rounding. (B) Dividends historically paid in early March, June, September, and December. (C) Div'd reinvestment plan available. (D) Paid special dividend of \$0.17 per share on 11/17

Company's Financial Strength B+  
Stock's Price Stability 70  
Price Growth Persistence 35  
Earnings Predictability 45

© 2018 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

YORK WATER NDQ:YORW		RECENT PRICE	P/E RATIO	Trailing: 34.4 Median: 24.0	RELATIVE P/E RATIO	DIV'D YLD	2.0%	VALUE LINE											
TIMELINESS <b>3</b> Raised 11/17/17	High: 21.0	18.5	16.5	18.0	18.0	18.1	18.5	22.0	24.3	26.7	39.8	39.9	Target Price Range	2020	2021	2022			
SAFETY <b>3</b> Lowered 7/17/15	Low: 15.3	15.5	6.2	9.7	12.8	15.8	16.8	17.6	18.8	19.7	23.8	31.7							
TECHNICAL <b>2</b> Raised 1/5/18	<b>LEGENDS</b> 1.10 x Dividends p sh divided by Interest Rate ... Relative Price Strength 3-for-2 split 9/06 Options: Yes Shaded area indicates recession																		
BETA <b>.80</b> (1.00 = Market)	<b>2020-22 PROJECTIONS</b> Price Gain Ann'l Total High 45 (+35%) 10% Low 30 (-10%) Nil																		
<b>Insider Decisions</b> M A M J J A S O N to Buy 1 13 2 2 13 2 2 13 2 Options 0 0 13 0 0 0 0 0 0 to Sell 0 0 0 0 0 0 0 0 0																			
<b>Institutional Decisions</b> 1Q2017 2Q2017 3Q2017 to Buy 38 42 40 to Sell 33 33 30 Hld's(000) 5127 5206 5125																			
<b>Percent shares traded</b> 12 8 4																			
<b>% TOT. RETURN 12/17</b> THIS STOCK VL ARITH. INDEX 1 yr. -9.6 15.8 3 yr. 55.7 30.1 5 yr. 115.9 92.5																			
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
2.05	2.05	2.17	2.18	2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.75	3.95	Revenues per sh	5.40
.59	.57	.65	.65	.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.65	1.75	"Cash Flow" per sh	2.25
.43	.40	.47	.49	.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.05	1.15	Earnings per sh <sup>A</sup>	1.60
.34	.35	.37	.39	.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.70	Div'd Decl'd per sh <sup>B</sup>	.96
.75	.66	1.07	2.50	1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	1.25	Cap'l Spending per sh	.95
3.79	3.90	4.06	4.65	4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.88	9.55	9.55	Book Value per sh	11.20
9.46	9.55	9.63	10.33	10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.90	12.75	Common Shs Outst'g <sup>C</sup>	12.50
17.8	26.9	24.5	25.7	26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	33.3		Avg Ann'l P/E Ratio	22.5
.91	1.47	1.40	1.36	1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.62		Relative P/E Ratio	1.40
4.4%	3.3%	3.2%	3.1%	2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%		Avg Ann'l Div'd Yield	2.6%
<b>CAPITAL STRUCTURE as of 9/30/17</b> Total Debt \$88.9 mill. Due in 5 Yrs \$30.5 mill. LT Debt \$88.9 mill. LT Interest \$5.4 mill.																			
(43% of Cap'l) Pension Assets 12/16 \$35.5 mill. Oblig. \$40.8 mill.																			
Pfd Stock None Common Stock 12,859,432 shs.																			
MARKET CAP: \$425 million (Small Cap)																			
<b>CURRENT POSITION (\$MILL.)</b> 2015 2016 9/30/17																			
Cash Assets 2.9 4.2 -- Accounts Receivable 3.5 4.3 4.4 Inventory (Avg. Cost) .8 .7 .9 Other 4.6 3.4 3.3 Current Assets 11.8 12.6 8.6 Accts Payable 1.8 3.7 4.0 Debt Due -- -- -- Other 4.4 4.5 6.1 Current Liab. 6.2 8.2 10.1																			
<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '20-22																			
Revenues 4.0% 3.5% 6.5% "Cash Flow" 6.5% 6.5% 8.0% Earnings 5.5% 6.0% 9.5% Dividends 3.5% 3.0% 8.0% Book Value 5.0% 3.5% 4.5%																			
<b>YORK WATER DELIVERED A BETTER-THAN-EXPECTED BOTTOM-LINE PERFORMANCE IN THE THIRD QUARTER.</b> The regulated water utility earned \$0.31 a share for the September period (+15% year over year), besting our \$0.29 call by two cents. The advance can be largely attributed to a lower effective tax rate (asset improvements qualify for deductions), higher surcharges to customers, and an increased allowance for funds used during construction (interest deduction). Meanwhile, operation and maintenance expenses as a percentage of revenues rose 200 basis points, on an annual basis, which makes the share-net showing even more encouraging. On the other hand, revenue growth was essentially nonexistent, dragged down by generally lower consumption.																			
<b>Capital expenditures ought to remain par for the course going forward.</b> Management estimates it spent approximately \$25 million in 2017 on aging infrastructure, raw water pumping stations, and pipe replacements, more than double the year-earlier total. With plenty of its footprint still needing to be brought up to speed, we anticipate at least several years of aggressive investment spending.																			
<b>York Water raised its quarterly dividend by 4%, to \$0.17 a share.</b> This marks 21 consecutive years that the company has increased its annual dividend payout. The current yield is fractionally above that of the Value Line median, but should trend higher into next decade thanks to additional dividend hikes.																			
<b>York Water shares have moved up one notch for Timeliness, to 3, and are now pegged to track the year-ahead broader market averages.</b> Prospects out to the 2020-2022 time frame are bright, though most of the benefits we envision appear to already be baked into the stock price. Capital appreciation potential does not stand out at the recent quotation.																			
Nicholas P. Patrikis January 12, 2018																			
<b>WE ARE ADJUSTING OUR 2018 TOP- AND BOTTOM-LINE ESTIMATES.</b> Despite an expanding customer base (acquisition-driven), York's top line is under some pressure. We now look for revenues of \$50.5 million in 2018, down from our prior forecast of \$52.0 million. Conversely, we are adding a dime to our earnings-per-share estimate, to \$1.15.																			
Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year														
	Mar.31	Jun.30	Sep.30	Dec.31															
2014	10.6	11.8	12.0	11.5	45.9														
2015	11.2	11.9	12.4	11.6	47.1														
2016	11.3	11.8	12.6	11.9	47.6														
2017	11.3	12.3	12.7	12.2	48.5														
2018	12.0	12.5	13.3	12.7	50.5														
Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year														
	Mar.31	Jun.30	Sep.30	Dec.31															
2014	.16	.22	.23	.28	.89														
2015	.20	.22	.28	.27	.97														
2016	.19	.23	.27	.23	.92														
2017	.20	.23	.31	.31	1.05														
2018	.24	.25	.34	.32	1.15														
Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year														
	Mar.31	Jun.30	Sep.30	Dec.31															
2014	.1431	.1431	.1431	.1431	.572														
2015	.1495	.1495	.1495	.1555	.604														
2016	.1555	.1555	.1555	.1602	.627														
2017	.1602	.1602	.1602	.1666	.647														
2018																			

(A) Diluted earnings. Next earnings report due late February.  
 (B) Dividends historically paid in late February, June, September, and December.

(C) In millions, adjusted for split.

Company's Financial Strength	B+
Stock's Price Stability	60
Price Growth Persistence	55
Earnings Predictability	90