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NEWS

Connecticut Water Service, Inc. Reports Third-Quarter and Nine-Month Earnings

Earnings total \$0.92 per share in Third Quarter of 2017

Clinton, Connecticut, November 8, 2017 – Connecticut Water Service, Inc. (Nasdaq: CTWS) announced third-quarter net income of \$10.7 million, or earnings per basic share (EPS) of \$0.92, on total revenues of \$33.5 million. Total revenues include revenues generated by the company's three business segments: Water Operations, Service and Rentals, and Real Estate. In the same period of 2016, the Company had net income of \$9.5 million, or EPS of \$0.86, on total revenues of \$31.2 million. The results for the quarter were affected by a partial tax reserve release in 2017.

In the third quarter of 2017, net income in the Water Operations segment was \$10.5 million on revenues of \$32.3 million. In the same period of 2016, net income from the segment totaled \$9.4 million on revenues of \$29.8 million. The increase in revenues was related to the acquisitions of the Heritage Village Water Company (Heritage Village Water) in February 2017 and the Avon Water Company (Avon Water) in July 2017, as well as the recovery of costs for completed infrastructure replacement projects through the Water Infrastructure and Conservation Adjustment (WICA) in Connecticut and the Water Infrastructure Charge (WISC) in Maine.

"Our long-term growth strategy continues to deliver as evidenced by our third-quarter results, which fully reflected our 2017 acquisition activity," stated David C. Benoit, President and CEO of CTWS. Mr. Benoit added, "The completed acquisitions of Heritage Village Water and Avon Water generated nearly \$2.4 million in revenues in Q3. Over the course of the year, we welcomed 9,500 customers through acquisitions, which represented customer growth of more than 7.5%, entered the regulated wastewater market, and completed a \$30 million water treatment facility upgrade. We expect to continue on this trajectory."

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Nine Months Operating Results

The Company reported net income of \$23.2 million, or EPS of \$2.03, on total revenues of \$87.2 million in the first nine months of 2017. In the same period of 2016, the company had net income of \$22.6 million, or \$2.05 EPS, on total revenues of \$81.9 million.

Net income in the company's core business, the Water Operations segment, was \$22.3 million, on revenues of \$83.3 million. In the same period of 2016, net income from the segment totaled \$21.6 million, on revenues of \$78.0 million.

Year-to-date comparisons of net income between years were impacted by different factors. In 2016, an out-of-period adjustment of approximately \$1.6 million lowered expenses associated with mark-to-market costs. In 2017, a reassessment of income tax provisions related to repair deductions allowed the Company to release previously reserved tax liabilities for both its Connecticut- and Maine-based regulated subsidiaries totaling approximately \$4.4 million. 2017 results also included acquisition and corporate development costs associated with the Company's recent acquisition activities, a key component of the company's industry-leading customer growth of more than 45% over the past decade.

CTWS expects net income in the Water Operations segment for this year to increase over 2016 amounts primarily through the accretive effect of the 2017 acquisitions, and revenue increases through WICA and WISC.

Maine Water Rate Application

On June 29, 2017, The Maine Water Company (Maine Water) filed for a rate increase in its Biddeford and Saco division. The rate request was for an approximate \$1.6 million increase in revenues. The Company expects a final decision to be issued by the Maine Public Utilities Commission (MPUC) in the fourth quarter of 2017 with new rates to be effective as of December 1, 2017.

Avon Water Acquisition

On July 1, 2017, the company completed the acquisition of Avon Water in a transaction with a total enterprise value of \$39.1 million. Avon Water serves approximately 4,800 water customers in the communities of Avon, Farmington and Simsbury, Connecticut.

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WICA & WISC

On September 20, 2017, the Connecticut Public Utilities Regulatory Authority approved a 1.56% increase in the WICA surcharge for The Connecticut Water Company (Connecticut Water). The increase became effective on October 1, 2017. The cumulative WICA surcharge for Connecticut Water is 9.81%. The current WICA surcharge for Avon Water is 8.09%. Heritage Village Water has not filed for a WICA surcharge. The maximum WICA surcharge allowed in Connecticut is 10%.

Maine Water files for WISC increases with the MPUC on a system-by-system basis. The current overall approved cumulative WISC surcharge for all divisions of Maine Water is 6.47%. The maximum WISC surcharge allowed in Maine ranges from 10% to 20% depending on the size of the water system.

WICA and WISC allow for recovery of eligible infrastructure replacements on a semiannual basis. Since the adoption of WICA in 2007, Connecticut Water has replaced more than 106 miles of aging water main with an average age of 75 years. WISC became available in Maine in 2013 and has been used to replace aging water mains and pump stations, construct storage tanks and fund treatment improvements.

Other Developments

Connecticut Water customers, employees, and the environment are benefiting from the new \$30 million Rockville Water Treatment Facility that went online this spring. Mr. Benoit stated, “In addition to providing current and future customers with a reliable supply of safe drinking water, this facility reduces impacts on the environment through the use of energy-efficient motors and pumps, state-of-the-art treatment processes, and a design approach mirroring Leadership in Energy and Environmental Design (LEED) standards. Because of the technology improvements, this new facility uses less water for filter cleaning and creates 75% less residual treatment byproducts compared to the previous facility. It also incorporates features making it safer for employees.”

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About CTWS

CTWS is one of the ten largest U.S.-based publicly traded water utilities, and is listed on the Nasdaq Global Select Market under the ticker symbol CTWS. Through its regulated utility subsidiaries, CTWS serves more than 135,000 water customers, or more than 425,000 people in 80 communities across Connecticut and Maine, and more than 3,000 wastewater customers in Southbury, Connecticut.

Since January 2012, CTWS has grown its customer base by more than 45%, or more than 44,000 customers, primarily through large acquisitions in Maine in 2012 and acquisitions of Heritage Village Water Company and Avon Water Company in Connecticut in 2017.

Additional information regarding results, performance or achievements noted in this news release is available in CTWS's Form 10-Q filed with the SEC on November 8, 2017. A link to the 10-Q filing can be found at <http://ir.ctwater.com/overview/default.aspx>.

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Connecticut Water Service, Inc. & Subsidiaries

Selected Income Statement Information (unaudited)

(In thousands except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	\$31,797	\$29,477	\$82,162	\$77,084
Other Water Activities Revenues	455	314	1,096	938
Real Estate Revenues	--	8	212	8
Service and Rentals Revenues	1,256	1,419	3,745	3,862
Total Revenues	\$33,508	\$31,218	\$87,215	\$81,892
Operating Expenses	\$19,473	\$18,698	\$54,279	\$51,253
Other Utility Income, Net of Taxes	\$264	\$160	\$619	\$503
Total Utility Operating Income	\$12,588	\$10,939	\$28,502	\$26,334
Gain on Property Transactions, Net of Taxes	\$--	\$2	\$33	\$2
Non-Water Sales Earnings (Services and Rentals), Net of Taxes	\$252	\$181	\$842	\$982
Net Income	\$10,716	\$9,535	\$23,202	\$22,626
Net Income Applicable to Common Shareholders	\$10,706	\$9,525	\$23,173	\$22,597
Basic Earnings Per Average Common Share	\$0.92	\$0.86	\$2.03	\$2.05
Diluted Earnings Per Average Common Share	\$0.90	\$0.84	\$1.99	\$2.01
Basic Weighted Average Common Shares Outstanding	11,817	11,014	11,436	11,004
Diluted Weighted Average Common Shares Outstanding	12,041	11,233	11,661	11,223
Book Value Per Share	\$24.39	\$21.14	\$24.39	\$21.14

Condensed Consolidated Balance Sheets (unaudited)

(In thousands)	September 30, 2017	September 30, 2016
ASSETS		
Net Utility Plant	\$683,738	\$583,789
Current Assets	47,149	36,498
Other Assets	208,489	149,539
Total Assets	\$939,376	\$769,826
CAPITALIZATION AND LIABILITIES		
Shareholders' Equity	\$294,405	\$237,620
Preferred Stock	772	772
Long-Term Debt	255,193	200,155
Current Liabilities	39,835	41,379
Other Liabilities and Deferred Credits	349,171	289,900
Total Capitalization and Liabilities	\$939,376	\$769,826

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this press release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Any statements contained in this press release that are not statements of historical fact, including statements based upon, among other things, our current assumptions, expectations and beliefs concerning future developments and their potential effect on Connecticut Water Service, Inc., may be deemed to be forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors, many of which are outside our control, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements where statements are preceded by, followed by or include the words “believes,” “expects,” “anticipates,” “plans,” “future,” “potential,” “probably,” “predictions,” “continue” or the negative of such terms or similar expressions.

Because forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including but not limited to: changes in general economic, business, credit and financial market conditions; changes in environmental conditions, including those that result in water use restrictions; abnormal weather conditions; increases in energy and fuel costs; unfavorable changes to the federal and/or state tax codes; significant changes in, or unanticipated, capital requirements; significant changes in our credit rating or the market price of our common stock; our ability to integrate businesses, technologies or services which we may acquire; our ability to manage the expansion of our business; the extent to which we are able to develop and market new and improved services; the continued demand by telecommunication companies for antenna site leases on our property; the effect of the loss of major customers; our ability to retain the services of key personnel and to hire qualified personnel as we expand; labor disputes; increasing difficulties in obtaining insurance and increased cost of insurance; cost overruns relating to improvements or the expansion of our operations; increases in the costs of goods and services; civil disturbance or terroristic threats or acts; changes in accounting pronouncements; and the outcome of the review of the Company’s Connecticut state tax filings by the Connecticut Department of Revenue Services. Accordingly, the Company’s actual results may differ materially from those contemplated by these forward-looking statements. Investors, therefore, are cautioned against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our filings with the Securities and Exchange Commission, including the risks and uncertainties identified in Part I, Item 1A - Risk Factors of the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

These forward-looking statements speak only as of the date of this press release, and the Company does not assume any obligation to update or revise any forward-looking statement made in this press release or that may from time to time be made by or on behalf of the Company. Information may also be obtained from the Company Contact: Daniel J. Meaney, APR, Director of Corporate Communications, 93 West Main Street, Clinton, CT 06413-1600, (860) 664-6016.

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