



# NEWS

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## **Connecticut Water Service, Inc. Subsidiary Files Rate Increase Request**

*Recovery of \$8 Million in Infrastructure Improvements requested*

**Saco, Maine, November 10, 2014** – The Maine Water Company (Maine Water), a subsidiary of Connecticut Water Service, Inc. (NASDAQ:CTWS), has filed a request with the Maine Public Utilities Commission (MPUC) for an overall increase in annual operating revenues in its largest division. Maine Water is requesting an increase of approximately \$1.7 million over current revenues of \$4.6 million in its Biddeford and Saco Division to recover costs of increased capital investment as well as increased operating expenses. The amount requested in the case is \$700,000 less in the first year than would otherwise have been required due to adoption of IRS guidance on its repair tax regulations.

Prior to acquisition by CTWS in December of 2012, the Biddeford and Saco Division of Maine Water was formerly an independent company known as the Biddeford & Saco Water Company. The last rate increase for customers of the Biddeford and Saco Division went into effect in 2008. Customers in this division currently pay among the lowest water rates in the State of Maine with a typical residential customer who uses 1,500 cubic feet of water per quarter (125 gallons per day) paying \$37.17 per quarter, or 41-cents per day.

The increase in revenues is being requested as a 2-year phase-in. If the rate increase request is approved in its entirety, a typical residential customer would see their quarterly water bill increase by \$1.53 per month, or about 5-cents per day, in the first year and an additional \$1.79 per month, or about 6-cents per day, in the second year.

Since its last rate filing before the MPUC in 2008, approximately \$8 million have been invested in the Biddeford and Saco Division water system on water-utility infrastructure, including distribution system replacements and upgrades to treatment facilities. These improvements are necessary to ensure quality drinking water, fire-protection services for the division's customers, and to address regulatory requirements.

"Having a safe and reliable water system is essential and provides for public health, fire protection, economic opportunities and the quality of life in the communities we serve," stated

(More)

Judy Wallingford, President of Maine Water. Ms. Wallingford added, "We have focused on working efficiently to stretch our customers' dollars as far as we can. However, after nearly 7 years without a rate increase and \$8 million in infrastructure investment, we are requesting the additional revenues so that we can maintain our strong focus on water quality and customer service."

As an example of increased efficiency, Ms. Wallingford points to the recently completed consolidation of Maine Water's corporate and customer service functions in Saco, Maine. Prior to the office consolidation, Maine Water operated two separate offices in different regions of the state.

Maine Water's Biddeford and Saco Division serves more than 16,000 customers, or about 48,000 people, in the southern Maine communities of Biddeford, Saco, Old Orchard Beach and Scarborough.

A decision of the MPUC is expected in the summer of 2015.

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This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, our long-term strategy and expectations, the status of our acquisition program, the impact of our acquisitions on our financial results, the impact of current and projected rate requests, including the Biddeford and Saco Division's request, and the impact of our capital program on our environmental compliance. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, the success of certain cost containment initiatives, changes in regulations or regulatory treatment, availability and the cost of capital, the success of growth initiatives and other factors discussed in our filings with the Securities and Exchange Commission. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.