

U-36003

5/25/2021

Utilities, Inc. of Louisiana  
Recommended Capital Structure and Cost Rates  
for Ratemaking Purposes  
at April 16, 2021

<u>Type Of Capital</u>	<u>Ratios (1)</u>	<u>Cost Rate</u>		<u>Weighted Cost Rate</u>
Long-Term Debt	50.00%	4.10%	(1)	2.05%
Common Equity	<u>50.00%</u>	11.00%	(2)	<u>5.50%</u>
Total	<u>100.00%</u>			<u>7.55%</u>

Notes:

- (1) Company-provided.
- (2) From page 2 of this Schedule.

Utilities, Inc. of Louisiana  
Brief Summary of Common Equity Cost Rate

<u>Line No.</u>	<u>Principal Methods</u>	<u>Proxy Group of Eight Water Companies</u>
1.	Discounted Cash Flow Model (DCF) (1)	8.63%
2.	Risk Premium Model (RPM) (2)	11.03%
3.	Capital Asset Pricing Model (CAPM) (3)	10.16%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	<u>10.68%</u>
5.	Indicated Common Equity Cost Rate before Adjustment for Unique Risk	10.13% - 10.42%
6.	Business Risk Adjustment (5)	0.75%
7.	Indicated Common Equity Cost Rate after Adjustment	<u>10.88% - 11.17%</u>
8.	Recommended Common Equity Cost Rate	<u><u>11.00%</u></u>

- Notes: (1) From Schedule DWD-3.  
 (2) From page 1 of Schedule DWD-4.  
 (3) From page 1 of Schedule DWD-5.  
 (4) From page 1 of Schedule DWD-7.  
 (5) Business risk adjustment to reflect Utilities, Inc. of LA's unique risk compared to the Utility Proxy Group as detailed in the accompanying direct testimony.

Proxy Group of Eight Water Companies  
CAPITALIZATION AND FINANCIAL STATISTICS (1)  
2016 - 2020, Inclusive

	2020	2019	2018	2017	2016	
	(MILLIONS OF DOLLARS)					
<b>Capitalization Statistics</b>						
<b>Amount of Capital Employed</b>						
Total Permanent Capital	\$2,817.868	\$2,585.327	\$2,287.586	\$2,018.207	\$1,921.453	
Short-Term Debt	\$248.763	\$163.226	\$161.255	\$162.839	\$133.679	
Total Capital Employed	<u>\$3,066.631</u>	<u>\$2,748.553</u>	<u>\$2,448.841</u>	<u>\$2,181.046</u>	<u>\$2,055.132</u>	
<b>Indicated Average Capital Cost Rates (2)</b>						
Total Debt	4.01 %	4.42 %	4.83 %	4.92 %	5.81 %	
Preferred Stock	5.76 %	5.84 %	5.92 %	5.91 %	5.91 %	
<b>Capital Structure Ratios</b>						
<b>5 YEAR AVERAGE</b>						
Based on Total Permanent Capital:						
Long-Term Debt	52.68 %	51.94 %	47.98 %	49.69 %	50.39 %	50.54 %
Preferred Stock	0.04	0.05	0.08	0.09	0.10	0.07
Common Equity	<u>47.28</u>	<u>48.01</u>	<u>51.94</u>	<u>50.22</u>	<u>49.51</u>	<u>49.39</u>
Total	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Based on Total Capital:						
Total Debt, Including Short-Term Debt	55.98 %	55.05 %	51.17 %	52.87 %	52.59 %	53.53 %
Preferred Stock	0.04	0.05	0.07	0.08	0.09	0.07
Common Equity	<u>43.97</u>	<u>44.90</u>	<u>48.75</u>	<u>47.04</u>	<u>47.32</u>	<u>46.40</u>
Total	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<b>Financial Statistics</b>						
<b>Financial Ratios - Market Based</b>						
Earnings / Price Ratio	3.16 %	2.66 %	3.24 %	3.54 %	3.30 %	3.18 %
Market / Average Book Ratio	323.29	331.95	295.35	298.06	263.80	302.49
Dividend Yield	1.95	1.92	2.12	2.16	2.38	2.11
Dividend Payout Ratio	53.11	69.08	57.69	56.10	57.06	58.61
<b>Rate of Return on Average Book Common Equity</b>	10.11 %	9.60 %	10.10 %	10.91 %	10.42 %	10.23 %
<b>Total Debt / EBITDA (3)</b>	5.06 x	5.32 x	4.21 x	3.73 x	3.88 x	4.44 x
<b>Funds from Operations / Total Debt (4)</b>	12.38 %	13.75 %	21.05 %	23.06 %	21.42 %	18.33 %
<b>Total Debt / Total Capital</b>	55.98 %	55.05 %	51.17 %	52.87 %	52.59 %	53.53 %

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group, and are based upon financial statements as originally reported in each year.
- (2) Computed by relating actual total debt interest or preferred stock dividends booked to average of beginning and ending total debt or preferred stock reported to be outstanding.
- (3) Total debt relative to EBITDA (Earnings before Interest, Income Taxes, Depreciation and Amortization).
- (4) Funds from operations (sum of net income, depreciation, amortization, net deferred income tax and investment tax credits, less total AFUDC) plus interest charges as a percentage of total debt.

Source of Information: Company Annual Forms 10-K

Capital Structure Based upon Total Permanent Capital for the  
Proxy Group of Eight Water Companies  
2016 - 2020, Inclusive

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>5 YEAR AVERAGE</u>
<u>American States Water Company</u>						
Long-Term Debt	40.72 %	31.87 %	36.54 %	37.75 %	39.40 %	37.26 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	59.28	68.13	63.46	62.25	60.60	62.74
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>American Water Works Company, Inc.</u>						
Long-Term Debt	59.93 %	58.59 %	56.55 %	55.81 %	54.74 %	57.12 %
Preferred Stock	0.02	0.03	0.05	0.07	0.09	0.05
Common Equity	40.05	41.38	43.40	44.12	45.17	42.83
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>Artesian Resources Corporation</u>						
Long-Term Debt	45.96 %	47.65 %	43.42 %	42.17 %	42.71 %	44.38 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	54.04	52.35	56.58	57.83	57.29	55.62
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>California Water Service Group</u>						
Long-Term Debt	46.04 %	50.90 %	52.74 %	43.40 %	45.83 %	47.78 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	53.96	49.10	47.26	56.60	54.17	52.22
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>Global Water Resources, Inc.</u>						
Long-Term Debt	78.09 %	82.31 %	80.43 %	88.50 %	88.27 %	83.52 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	21.91	17.69	19.57	11.50	11.73	16.48
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>Middlesex Water Company</u>						
Long-Term Debt	44.61 %	42.20 %	38.94 %	38.65 %	38.91 %	40.66 %
Preferred Stock	0.33	0.37	0.59	0.64	0.68	0.52
Common Equity	55.06	57.43	60.47	60.71	60.41	58.82
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>SIW Group</u>						
Long-Term Debt	59.79 %	59.05 %	32.67 %	48.20 %	50.69 %	50.08 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	40.21	40.95	67.33	51.80	49.31	49.92
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>The York Water Company</u>						
Long-Term Debt	46.31 %	42.95 %	42.52 %	43.02 %	42.60 %	43.48 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	53.69	57.05	57.48	56.98	57.40	56.52
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
<u>Proxy Group of Eight Water Companies</u>						
Long-Term Debt	52.68 %	51.94 %	47.98 %	49.69 %	50.39 %	50.54 %
Preferred Stock	0.04	0.05	0.08	0.09	0.10	0.07
Common Equity	47.28	48.01	51.94	50.22	49.51	49.39
Total Capital	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

Source of Information  
Annual Forms 10-K

Utilities, Inc. of Louisiana  
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model for the  
Proxy Group of Eight Water Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Eight Water Companies	Average Dividend Yield (1)	Value Line Projected Five Year Growth in EPS (2)	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Bloomberg Projected Five Year Growth in EPS	Average Projected Five Year Growth in EPS (3)	Adjusted Dividend Yield (4)	Indicated Common Equity Cost Rate (5)
American States Water Company	1.75 %	6.50 %	NA	4.60 %	6.00 %	5.70 %	1.80 %	7.50 %
American Water Works Company, Inc.	1.46	8.50	8.10	8.60	8.54	8.44	1.52	9.96
Artesian Resources Corporation	2.64	NA	NA	4.00	NA	4.00	2.69	6.69
California Water Service Group	1.64	6.50	NA	10.75	4.00	7.08	1.70	8.78
Global Water Resources, Inc.	1.72	15.00	15.00	15.00	NA	15.00	1.85	16.85
Middlesex Water Company	1.41	4.50	NA	2.70	NA	3.60	1.44	5.04
SIW Group	2.11	13.00	NA	5.50	7.00	8.50	2.20	10.70
The York Water Company	1.62	6.50	NA	4.90	NA	5.70	1.67	7.37
							Average	9.11 %
							Median	8.14 %
							Average of Mean and Median	8.63 %

NA = Not Available

Notes:

- (1) Indicated dividend at 04/16/2021 divided by the average closing price of the last 60 trading days ending 04/16/2021 for each company.
- (2) From pages 2 through 9 of this Schedule.
- (3) Average of columns 2 through 5 excluding negative growth rates.
- (4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 6) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for American States Water Company,  $1.75\% \times (1 + (1/2 \times 5.70\%)) = 1.80\%$ .
- (5) Column 6 + column 7.

Source of Information:

Value Line Investment Survey  
www.zacks.com Downloaded on 04/16/2021  
www.yahoo.com Downloaded on 04/16/2021  
Bloomberg Professional Services

AMER. STATES WATER NYSE-AWR		RECENT PRICE	75.91		P/E RATIO	31.5 (Trailing: 32.6 Median: 24.0)		RELATIVE P/E RATIO	1.44		DIV'D YLD	1.9%		VALUE LINE							
<b>TIMELINESS</b> 3 Raised 3/5/21	High: 19.8 18.2 24.1 33.1 38.7 44.1 47.2 58.4 69.6	Low: 15.6 15.3 17.0 24.0 27.0 35.8 37.3 41.1 50.1	96.0 96.6 83.1	63.3 65.1 70.1	Target Price	Range	2024	2025	2026	128	96	80	64	48	40	32	24	16	12		
<b>SAFETY</b> 2 Raised 7/20/12	<b>LEGENDS</b> 1.35 x Dividends p sh divided by Interest Rate ..... Relative Price Strength 2-for-1 split 9/13 Options: Yes Shaded area indicates recession																				
<b>TECHNICAL</b> 4 Lowered 4/9/21	<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$62-\$108 \$85 (10%)																				
BETA .65 (1.00 = Market)	<b>2024-26 PROJECTIONS</b> Price Gain Ann'l Total High 85 (+10%) 5% Low 60 (-20%) -3%																				
<b>Institutional Decisions</b>		2020 3Q2020 4Q2020 to Buy 135 121 121 to Sell 129 135 142 Hld's(1000) 25635 25731 25483 Percent shares traded 24 16 8																			
<b>% TOT. RETURN 2/21</b> THIS STOCK VL ARITH. 1 yr. -3.0 50.1 3 yr. 43.9 45.4 5 yr. 88.1 108.8																					
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC 24-26			
7.03	7.88	8.75	9.21	9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	12.01	11.88	12.86	13.24	13.55	13.75	Revenues per sh	17.20		
1.32	1.45	1.65	1.69	1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	2.96	2.84	3.26	3.34	3.50	3.65	"Cash Flow" per sh	4.80		
.66	.67	.81	.78	.81	1.11	1.12	1.41	1.61	1.57	1.61	1.62	1.88	1.72	2.28	2.33	2.40	2.55	Earnings per sh A	3.05		
.45	.46	.48	.50	.51	.52	.55	.64	.76	.83	.87	.91	.99	1.06	1.16	1.28	1.40	1.52	Div'd Decl'd per sh B	2.00		
2.12	1.95	1.45	2.23	2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	3.08	3.44	4.12	3.54	4.05	4.04	Cap'l Spending per sh	4.25		
7.86	8.32	8.77	8.97	9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	14.45	15.19	16.33	17.39	18.95	20.00	Book Value per sh D	23.20		
33.60	34.10	34.46	34.60	37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	36.68	36.76	36.85	36.89	37.25	37.50	Common Shs Outst'g C	37.50		
21.9	27.7	24.0	22.6	21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	25.7	34.0	34.4	34.3	34.4	34.3	Avg Ann'l P/E Ratio	24.0		
1.17	1.50	1.27	1.36	1.41	1.00	.97	.91	.97	1.06	1.24	1.34	1.29	1.84	1.83	1.78	1.83	1.78	Relative P/E Ratio	1.35		
3.1%	2.5%	2.5%	2.9%	2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	2.0%	1.8%	1.5%	1.6%	1.6%	1.6%	Avg Ann'l Div'd Yield	2.8%		
<b>CAPITAL STRUCTURE as of 12/31/20</b> Total Debt \$575.0 mill. Due in 5 Yrs \$136.0 mill. LT Debt \$574.6 mill. LT Interest \$22.5 mill. (47% of Cap'l) Leases, Uncapitalized: Annual rentals \$2.6 mill. Pension Assets-12/19 \$213.1 mill. Oblig. \$272.8 mill. Pfd Stock None Common Stock 36,898,213 shs. as of 2/19/20 MARKET CAP: \$2.8 billion (Mid Cap)																					
<b>CURRENT POSITION (\$MILL)</b> Cash Assets 7.1 1.3 36.7 Accts Receivable 23.4 20.9 29.2 Other 101.0 100.3 91.2 Current Assets 131.5 122.5 157.1 Accts Payable 59.5 55.6 63.8 Debt Due 40.3 5.3 4 Other 46.8 55.1 54.4 Current Liab. 146.6 116.0 118.6																					
<b>ANNUAL RATES of change (per sh)</b> Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 to '24-'26 Revenues 2.5% .5% 5.0% "Cash Flow" 5.5% 3.0% 7.0% Earnings 9.0% 5.5% 6.5% Dividends 8.5% 7.5% 9.5% Book Value 5.5% 5.0% 5.5%																					
<b>QUARTERLY REVENUES (\$ mill.)</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 94.7 106.9 124.2 111.0 436.8 2019 101.7 124.7 134.5 113.0 473.9 2020 109.1 121.3 133.6 124.2 488.2 2021 115 125 145 120 505 2022 118 127 148 122 515																					
<b>EARNINGS PER SHARE A</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 .29 .44 .62 .37 1.72 2019 .35 .72 .76 .45 2.28 2020 .38 .69 .72 .54 2.33 2021 .45 .67 .75 .53 2.40 2022 .48 .72 .78 .57 2.55																					
<b>QUARTERLY DIVIDENDS PAID B</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .242 .242 .255 .255 .99 2018 .255 .255 .275 .275 1.06 2019 .275 .275 .305 .305 1.16 2020 .305 .305 .335 .335 1.28 2021 .335																					
<b>BUSINESS:</b> American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 261,976 customers in 10 California counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,545 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS subsidiary. Sold Chaparral City Wtr. of AZ. (6/11). Employs 841. BlackRock, Inc. owns 15.9% of out. shares; Vanguard, 11.9%; off. & dir. 1.0%. (4/20 Proxy). Chairman: Loyd Ross. Pres. & CEO: Robert Sprowls, Inc. CA. Address: 630 East Foothill Blvd., San Dimas, CA 91773. Tel: 909-394-3600. Internet: www.aswater.com.																					
<b>Shares of American States Water have not performed well lately.</b> Over the past three-month period, the price of the stock has declined about 2%. By comparison, the S&P 500 Index has increased 7%, a difference of nearly 900 basis points. <b>Meanwhile, a major rate case is pending.</b> California is a state where water utilities file a petition to raise prices once every three years. Last summer, the Golden States Water Company (GSWC) submitted the papers for rate hikes that would cover the years 2022 to 2024. The final decision on the case is not expected until late this year, at the earliest. Our earnings assumptions are based upon a reasonable ruling, as relations with the regulators has been mostly positive. An unexpectedly harsh decision would have a negative impact on the bottom line. <b>Earnings should advance at a decent clip both this year and next.</b> The company's year-over-year share net will likely only increase 3% in 2021. (Utilities often see earnings growth slow in the year before new rates are determined.) In 2022, with the assistance of higher rates, we are estimating that earnings per share will climb 6%.																					
<b>Dividend growth prospects seem to be somewhat brighter.</b> At the company's August board meeting, we think the distribution per share will be raised \$0.03, a 9% increase. This is near the very high end of the range for water utilities. <b>The company's nonregulated operations offer some potential upside.</b> Through its ASUS business, the company operates water systems at U.S. Army installations. ASUS has been reasonably successful in winning its share of the many contracts the military has put out for bid. With more privatizations of these facilities planned, this segment could provide higher-margined revenues. That's because returns here are not capped, so there isn't a limit on profitability. <b>These neutrally ranked shares do not have appeal, at this time.</b> Despite lagging the market, AWR is only ranked to perform in line with the major indexes in the year ahead. Moreover, over the pull to 2024-2026, total return potential is well below the Value Line median, as the equity is already in its Target Price Range.																					
																		James A. Flood		April 9, 2021	

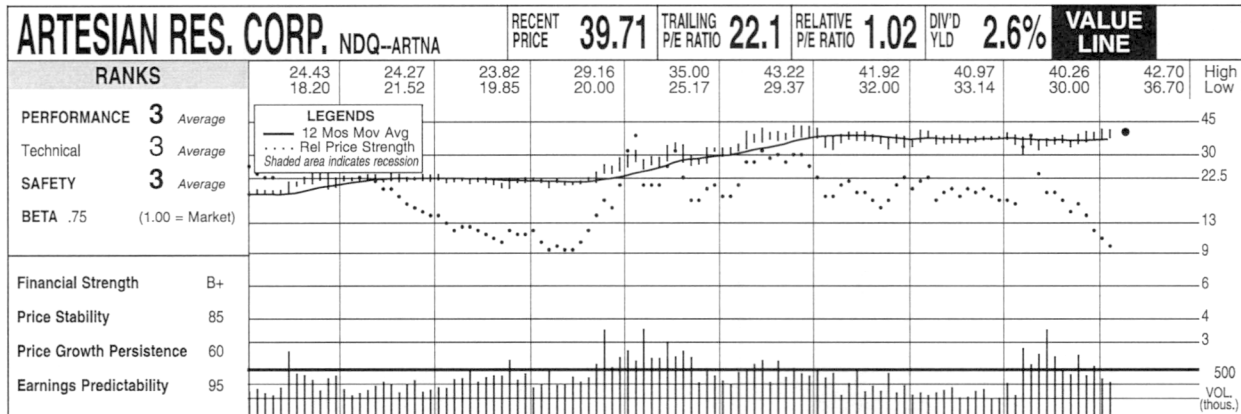
(A) Primary earnings. Excludes nonrecurring gains/(losses): '05, 13c; '06, 3c; '08, 14c; '10, 23c; '11, 10c. Next earnings report due mid-May.  
 (B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.  
 (C) In millions, adjusted for split.  
 (D) Includes intangibles. As of 12/31/20; \$1.1 million/\$0.03 a share.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	85

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AMERICAN WATER NYSE-AWK										RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO		DIV'D YLD	VALUE LINE		
										147.91	35.4 (Trailing: 37.8 Median: 24.0)		1.62		1.6%			
TIMELINESS	2	Lowered 11/13/20	High: 25.8	32.8	39.4	45.1	56.2	61.2	85.2	92.4	98.2	129.9	172.6	166.1	Target Price Range 2024 2025 2026			
SAFETY	3	New 7/25/08	Low: 19.4	25.2	31.3	37.0	41.1	48.4	58.9	70.0	76.0	88.0	92.0	131.0				
TECHNICAL	3	Lowered 4/9/21	LEGENDS 1.10 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession															
BETA	.85	(1.00 = Market)																
18-Month Target Price Range																		
Low-High Midpoint (% to Mid)																		
\$114-\$247 \$181 (20%)																		
2024-26 PROJECTIONS																		
High Price Gain Ann'l Total																		
Low 105 (-30%) -6%																		
Institutional Decisions																		
2020 3Q2020 4Q2020																		
to Buy 363 401 449																		
to Sell 371 337 344																		
Hlds(000) 151102 150689 148917																		
Percent shares traded 21 14 7																		
© VALUE LINE PUB. LLC 24-26																		
2005 2006E 2007E 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022																		
Revenues per sh 25.80																		
"Cash Flow" per sh 9.70																		
Earnings per sh A 5.50																		
Div'd Decl'd per sh B 3.10																		
Cap'l Spending per sh 11.75																		
Book Value per sh D 50.00																		
Common Shs Outst'g C 190.00																		
Avg Ann'l P/E Ratio 23.5																		
Relative P/E Ratio 1.30																		
Avg Ann'l Div'd Yield 2.4%																		
CAPITAL STRUCTURE as of 12/31/20																		
Total Debt \$10691 mil. Due in 5 Yrs \$2500 mil.																		
LT Debt \$9329 mil. LT Interest \$354 mil. (59% of Cap'l)																		
Leases, Uncapitalized: Annual rentals \$14.0 mil.																		
Pension Assets 12/19 \$1747.0 mil																		
Oblig. \$2161.0 mil.																		
Pfd Stock \$4.0 mil. Pfd Div'd \$ 3.3 mil																		
Common Stock 181,439,255 shares as of 2/19/21																		
MARKET CAP: \$26.8 billion (Large Cap)																		
CURRENT POSITION 2018 2019 12/31/20 (\$MILL.)																		
Cash Assets 158 91 576																		
Accts Receivable 301 294 321																		
Other 322 900 1009																		
Current Assets 781 1285 1906																		
Accts Payable 175 203 189																		
Debt Due 1035 814 1611																		
Other 884 1028 1081																		
Current Liab. 2094 2045 2881																		
ANNUAL RATES Past Past Est'd '18-'20 of change (per sh) 10 Yrs. 5 Yrs. to '24-'26																		
Revenues 3.0% 3.5% 4.5%																		
"Cash Flow" 8.0% 7.0% 6.5%																		
Earnings 10.5% 8.0% 8.5%																		
Dividends 11.0% 11.5% 8.5%																		
Book Value 3.5% 4.5% 5.0%																		
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																		
2018 761 853 976 850 3440																		
2019 813 882 1013 902 3610																		
2020 844 931 1079 923 3777																		
2021 880 995 1140 995 4010																		
2022 935 1055 1200 1050 4240																		
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																		
2018 .59 .91 1.03 .62 3.15																		
2019 .62 .94 1.33 .54 3.43																		
2020 .68 .97 1.46 .80 3.91																		
2021 .73 1.05 1.60 .87 4.25																		
2022 .80 1.15 1.70 .95 4.60																		
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																		
2017 .375 .415 .415 .415 1.62																		
2018 .415 .455 .455 .455 1.78																		
2019 .455 .50 .50 .50 1.96																		
2020 .50 .55 .55 .55 2.15																		
2021 .55																		
BUSINESS: American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to approximately 15 million people in 46 states. Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 86% of 2020 revenues. New Jersey is its largest market accounting for 24.5% of regulated revenues; Pennsylvania, 22.5%; Missouri, 10.6%. Has 6,800 employees. The Vanguard Grp. owns 11.7% of outstanding shares; BlackRock, Inc., 8.1%; officers & directors, less than 1.0%. (3/21 Proxy). President & CEO: Susan N. Story. Chairman: George MacKenzie. Address: 1 Water Street, Camden, NJ 08102. Tel.: 856-346-8200. Internet: www.amwater.com.																		
American Water Works completed another very successful year in 2020. Due in part to a strong fourth quarter, the water utility managed to post an impressive 14% share-earnings increase over 2019. One of the most attractive qualities about this industry is that the demand for water is relatively inelastic. Hence, the pandemic has had no real impact on the company. The earnings picture remains bright. American Water has an aggressive acquisition policy (more below). This, plus solid cost controls, an expanding rate base, and the stable need for water, should ensure solid yearly earnings per share increases for the foreseeable future. We think the company's share net will rise 8% both this year and in 2022. Through 2024 to 2026, we estimate growth here should be in the 7%-10% range, a much higher rate than the typical utility. The company ought to continue to following what has been a successful strategy. Management has been acquiring small, independent water districts for many years. Indeed, in 2020, 23 such purchases were made. Domestically, there are literally thousands of these undersized water entities that are run by local municipalities. Often they are inefficient and undercapitalized. American Water can merge these operations into its existing business and attain significant economies of scale. As a result, the utility's margins should continue to widen annually as long as this policy is in place. Capital expenditures are large, but manageable. Like others in the group, the company is spending heavily to upgrade its pipelines and other assets. Also, most of the acquisitions require investment to ensure that they are in compliance with federal mandates. Over the past 10 years, capital outlays have totaled \$28 billion. Out to mid-decade, annual outlays may average \$2.2 billion to \$2.5 billion. The balance sheet will likely handle this without deteriorating much. These shares are timely. Since our January report, the equity has underperformed the market indexes by about 750 basis points. Thus, the premium investors usually have to pay for this industry standout has declined to some degree. James A. Flood April 9, 2021																		
(A) Diluted earnings. Excludes nonrecurring losses: '08, \$4.62; '09, \$2.63; '11, \$0.07. Disc. oper.: '06, (\$0.04); '11, \$0.03; '12, (\$0.10); '13, (\$0.01). GAAP used as of 2014. Next earnings report due mid-May. (B) Dividends paid in March, June, September, and December. Div. reinvestment available. (C) In millions. (D) Includes intangibles. On 12/31/20: \$1,559 billion, \$8.59/share. (E) Pro forma numbers for '06 & '07.																		
Company's Financial Strength B++																		
Stock's Price Stability 85																		
Price Growth Persistence 80																		
Earnings Predictability 85																		
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© VALUE LINE PUBLISHING LLC	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021/2022
SALES PER SH	8.10	7.82	8.13	8.50	8.67	8.92	8.69	9.00	9.42	
"CASH FLOW" PER SH	2.04	1.87	2.04	2.22	2.43	2.55	2.66	2.77	2.99	
EARNINGS PER SH	1.13	.94	1.07	1.26	1.41	1.51	1.54	1.60	1.79	NA/NA
DIV'DS DECL'D PER SH	.79	.82	.85	.87	.90	.93	.96	.98	1.01	
CAP'L SPENDING PER SH	2.36	2.40	2.66	2.88	3.10	4.46	5.30	4.38	3.66	
BOOK VALUE PER SH	13.57	13.80	14.09	14.61	15.23	15.91	16.57	17.25	18.11	
COMMON SHS OUTST'G (MILL)	8.71	8.83	8.91	9.06	9.13	9.22	9.25	9.29	9.36	
AVG ANN'L P/E RATIO	18.3	23.9	20.5	18.0	20.9	24.2	23.9	22.8	20.2	NA/NA
RELATIVE P/E RATIO	1.17	1.34	1.08	.93	1.14	1.21	1.35	1.32	1.19	
AVG ANN'L DIV'D YIELD	3.8%	3.7%	3.9%	3.8%	3.1%	2.5%	2.6%	2.7%	2.8%	
SALES (\$MILL)	70.6	69.1	72.5	77.0	79.1	82.2	80.4	83.6	88.1	<b>Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.</b>
OPERATING MARGIN	48.7%	47.0%	48.8%	43.0%	44.4%	44.6%	46.1%	43.0%	47.8%	
DEPRECIATION (\$MILL)	7.9	8.3	8.7	8.8	9.2	9.6	10.3	10.8	11.1	
NET PROFIT (\$MILL)	9.8	8.3	9.5	11.3	13.0	14.0	14.3	14.9	16.8	
INCOME TAX RATE	40.2%	40.2%	40.1%	--	--	--	--	--	--	
NET PROFIT MARGIN	14.0%	12.0%	13.1%	14.7%	16.4%	17.0%	17.8%	17.9%	19.1%	
WORKING CAP'L (\$MILL)	d11.4	d12.3	d13.5	d8.8	d4.7	d9.5	d21.6	d11.4	d26.1	
LONG-TERM DEBT (\$MILL)	106.3	105.5	105.0	103.6	102.3	105.6	115.9	144.2	142.3	
SHR. EQUITY (\$MILL)	118.2	121.8	125.6	132.3	139.0	146.6	153.3	160.3	169.4	
RETURN ON TOTAL CAP'L	5.9%	5.1%	5.5%	6.3%	6.7%	6.8%	6.5%	6.1%	6.6%	
RETURN ON SHR. EQUITY	8.3%	6.8%	7.6%	8.5%	9.3%	9.5%	9.3%	9.3%	9.9%	
RETAINED TO COM EQ	2.5%	.9%	1.6%	2.6%	3.4%	3.7%	3.6%	3.6%	4.4%	
ALL DIV'DS TO NET PROF	70%	87%	79%	69%	63%	61%	62%	61%	56%	

Note: No analyst estimates available.

ANNUAL RATES					ASSETS (\$mill.)			INDUSTRY: Water Utility			
of change (per share)	5 Yrs.	1 Yr.				2018	2019	12/31/20			
Sales	2.0%	4.5%				.3	.6	.0	<b>BUSINESS:</b> Artesian Resources Corp. operates as the parent holding company of five regulated public utilities: Artesian Water Company, Inc., Artesian Water Pennsylvania, Inc., Artesian Water Maryland, Inc., Artesian Wastewater Management, Inc., and Artesian Wastewater Maryland, Inc.; and three non-regulated subsidiaries: Artesian Utility Development, Inc., Artesian Development Corp., and Artesian Storm Water Services, Inc. Its principal subsidiary, Artesian Water Company, Inc., distributes and sells water, including water for public and private fire protection, to residential, commercial, industrial, municipal, and utility customers in Delaware, Maryland, and Pennsylvania. It provides wastewater services to customers in Delaware. In addition, it provides contract water and wastewater operations, and water, sewer and internal Service Line Protection Plans. Artesian Water produced approximately 86% of 2020 consolidated operating revenues. Has 235 employees. Chairman, C.E.O. & President: Dian C. Taylor Address: 664 Churchmans Rd., Newark, DE 19702. Tel.: (302) 453-6900. Internet: www.artesianresources.com.		
"Cash Flow"	6.5%	8.0%				8.2	6.9	10.2			
Earnings	8.5%	12.0%				1.5	1.3	1.5			
Dividends	3.0%	2.5%				6.1	5.4	5.9			
Book Value	4.0%	5.0%				16.1	14.2	17.6			
						Property, Plant & Equip, at cost 629.4 671.9 711.7 Accum Depreciation 126.9 137.4 148.3 Net Property 502.5 534.5 563.4 Other 11.2 11.7 12.2 Total Assets 529.8 560.4 593.2					
						LIABILITIES (\$mill.) Accts Payable 8.3 8.2 6.4 Debt Due 17.7 9.2 28.6 Other 11.7 8.2 8.7 Current Liab 37.7 25.6 43.7					
						LONG-TERM DEBT AND EQUITY as of 12/31/20 Total Debt \$170.9 mill. Due in 5 Yrs. \$34.7 mill. LT Debt \$142.3 mill. Including Cap. Leases None (46% of Cap'l) Leases, Uncapitalized Annual rentals \$0 mill.					
						Pension Liability None in '20 vs. None in '19					
						Pfd Stock None Pfd Div'd Paid None Common Stock 9,357,000 shares (54% of Cap'l)					
						TOTAL SHAREHOLDER RETURN Dividends plus appreciation as of 2/28/2021 3 Mos. 6 Mos. 1 Yr. 3 Yrs. 5 Yrs. 0.73% 6.58% 10.82% 20.40% 49.21%					

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CALIFORNIA WATER NYSE-CWT										RECENT PRICE	P/E RATIO	Trailing: 29.0 Median: 24.0	RELATIVE P/E RATIO	DIV'D YLD	1.6%	VALUE LINE								
<b>TIMELINESS</b> 1 Raised 3/19/21 <b>SAFETY</b> 3 Lowered 7/27/07 <b>TECHNICAL</b> 2 Lowered 4/9/21 <b>BETA</b> .65 (1.00 = Market) <b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$43-\$81 \$62 (10%)										56.17	31.4		1.43	1.6%										
<b>2024-26 PROJECTIONS</b> High Price 65 Gain (+15%) Ann'l Total Return 6% Low Price 45 Gain (-20%) Return -3%										19.8	19.4	19.3	23.4	26.4	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range	
<b>Institutional Decisions</b> 2020Q2 3Q2020 4Q2020 to Buy 109 101 122 to Sell 107 106 91 Hld's(000) 35580 36492 37534										16.9	16.7	16.8	18.4	20.3	19.5	22.5	32.4	35.3	44.6	39.7	51.8	2024	2025	2026
<b>MARKET CAP: \$2.8 billion (Mid Cap)</b>										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>CURRENT POSITION (\$MILL)</b> Cash Assets 47.2 42.7 44.6 Other 141.5 142.0 221.4 Current Assets 188.7 184.7 266.0 Accts Payable 95.6 108.5 131.7 Debt Due 170.0 197.0 375.1 Other 55.6 53.2 81.9 Current Liab. 321.2 358.7 588.7										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 of change (per sh)</b> Revenues 3.5% 4.0% 1.5% "Cash Flow" 6.0% 8.0% 2.0% Earnings 5.0% 8.0% 6.5% Dividends 3.0% 4.0% 6.5% Book Value 5.0% 5.0% 4.0%										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>QUARTERLY REVENUES (\$ mill.)<sup>F</sup></b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 134.6 174.9 221.3 167.4 698.2 2019 126.1 179.0 232.6 176.9 714.6 2020 125.6 175.5 304.1 189.1 794.3 2021 155 205 255 200 815 2022 160 205 260 205 830										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>EARNINGS PER SHARE A</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 d.02 .31 .75 .32 1.36 2019 d.16 .35 .88 .24 1.31 2020 d.42 .11 1.94 .31 1.97 2021 .08 .45 .95 .42 1.90 2022 .10 .45 1.00 .45 2.00										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>QUARTERLY DIVIDENDS PAID B</b> Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .18 .18 .18 .18 .72 2018 .1875 .1875 .1875 .1875 .75 2019 .1975 .1975 .1975 .1975 .79 2020 .2125 .2125 .2125 .2125 .85 2021 .230										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>MARKET CAP: \$2.8 billion (Mid Cap)</b>										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>CAPITAL STRUCTURE as of 12/31/20</b> Total Debt \$1156.2 mill. Due in 5 Yrs \$357.0 mill. LT Debt \$781.1 mill. LT Interest \$40.0 mill. (Total interest coverage: 5.2x) (46% of Cap'l)										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>Pension Assets-12/20 \$716.8 mill. Oblig. \$833.9 mill.</b> <b>Pfd Stock None</b> <b>Common Stock 50,330,000 shs.</b>										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>MARKET CAP: \$2.8 billion (Mid Cap)</b>										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>BUSINESS:</b> California Water Service Group provides regulated and nonregulated water service to 492,600 customers in 100 communities in the state of California. Accounts for about 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, '20: residential, 70%; business, 18%; industrial, 4%; public authorities, 5%; other 3%. Off. and dir. own 1% of common stock (4/20 proxy). Has 1,184 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.										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>California Water Service Group reported solid financial results to wrap up 2020.</b> The West Coast water service provider generated revenues of \$189 million in the December period, or a 7% annual increase, thanks largely to rate hikes associated with the recently approved general rate case. Meanwhile, fourth-quarter share profits of \$0.31, which were also buoyed by benefits from the general rate case decision, specifically higher operating income and lower taxes, logged a healthy 29% advance compared to the year-earlier tally.										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>California Water is on a buying spree.</b> The company's subsidiary, Hawaii Water Service, announced that it has received approval to acquire the assets of Kapalua Water and Kapalua Waste Treatment Company, which will add roughly 1,000 service connections in the area. In addition, a deal has been inked to purchase the water system assets of Skylanda Mutual Water Company. Pending regulatory approval, the transaction, which would add almost 19,000 service connection in California, is expected to be finalized early next year. Overall, tuck-in acquisitions will probably be a staple in the company's long-term growth strategy.										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>The company is in the early innings of a massive infrastructure improvement program.</b> Indeed, management is taking an aggressive approach to upgrading and revamping its aging water delivery, transportation, and treatment facilities. For this year, its capital spending budget for infrastructure-related projects is approximately \$285 million. Over the pull to 2025, the company is likely to invest upwards of \$700 million. Lastly, California Water has already been given the green light by the California Public Utilities Commission to tap the debt and equity markets.										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>We continue to like this issue for subscribers with a short-term investment horizon.</b> The stock has been raised one notch on our Timeliness Ranking Scale, to 1 (Highest) and, thus is slated to outpace the broader market averages over the coming six to 12 months. On the other hand, buy-and-hold accounts should turn the page, as total return potential out to 2024-2026 is unenticing at recent levels.										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>Company's Financial Strength</b> B++ <b>Stock's Price Stability</b> 95 <b>Price Growth Persistence</b> 70 <b>Earnings Predictability</b> 65										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
<b>To subscribe call 1-800-VALUELINE</b>										19.3	18.4	20.3	26.0	36.8	46.2	49.1	57.5	57.4	60.5	Target Price	Range			
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© VALUE LINE PUBLISHING LLC	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021/2022
REVENUES PER SH	--	--	--	--	1.52	1.59	1.65	1.65	1.71	
"CASH FLOW" PER SH	--	--	--	--	.18	.58	.49	.49	.45	
EARNINGS PER SH	--	--	--	--	d.15	.23	.15	.10	.05	.11 <sup>A,B,C</sup>
DIV'DS DECL'D PER SH	--	--	--	--	.17	.28	.28	.29	.29	
CAP'L SPENDING PER SH	--	--	--	--	.44	1.06	.22	.52	.40	
BOOK VALUE PER SH	--	--	--	--	.78	.76	1.30	1.15	1.43	
COMMON SHS OUTST'G (MILL)	--	--	--	--	19.58	19.63	21.47	21.54	22.59	
AVG ANN'L P/E RATIO	--	--	--	--	--	40.1	63.9	NMF	NMF	NMF/90.4
RELATIVE P/E RATIO	--	--	--	--	--	2.01	3.61	NMF	NMF	
AVG ANN'L DIV'D YIELD	--	--	--	--	2.2%	3.0%	3.0%	2.6%	2.5%	
REVENUES (\$MILL)	--	--	--	32.0	29.8	31.2	35.5	35.5	38.6	
OPERATING MARGIN	--	--	--	75.1%	38.8%	45.7%	47.1%	43.2%	42.4%	<b>Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.</b>
DEPRECIATION (\$MILL)	--	--	--	8.2	6.3	6.9	7.5	8.4	9.0	
NET PROFIT (\$MILL)	--	--	--	21.4	d2.9	4.6	3.1	2.2	1.1	
INCOME TAX RATE	--	--	--	49.1%	--	--	36.5%	34.3%	41.1%	
NET PROFIT MARGIN	--	--	--	66.9%	NMF	14.6%	8.7%	6.3%	2.9%	
WORKING CAP'L (\$MILL)	--	--	--	8.0	13.8	.7	7.7	2.2	11.1	
LONG-TERM DEBT (\$MILL)	--	--	--	104.7	114.3	114.4	114.5	114.7	112.7	
SHR. EQUITY (\$MILL)	--	--	--	20.1	15.2	14.9	27.9	24.7	32.2	
RETURN ON TOTAL CAP'L	--	--	--	20.5%	2.4%	5.5%	4.0%	3.5%	2.6%	
RETURN ON SHR. EQUITY	--	--	--	106.5%	NMF	30.6%	11.1%	9.0%	3.4%	
RETAINED TO COM EQ	--	--	--	106.5%	NMF	NMF	11.1%	NMF	NMF	
ALL DIV'DS TO NET PROF	--	--	--	--	NMF	119%	--	NMF	NMF	

<sup>A</sup>No. of analysts changing earn. est. in last 29 days: 0 up, 0 down, consensus 5-year earnings growth 15.0% per year. <sup>B</sup>Based upon one analyst's estimate. <sup>C</sup>Based upon one analyst's estimate.

ANNUAL RATES					ASSETS (\$mill.)			INDUSTRY: Water Utility		
of change (per share)	5 Yrs.	1 Yr.			2018	2019	12/31/20			
Sales	--	4.0%			12.8	7.5	18.0	<p><b>BUSINESS:</b> Global Water Resources, Inc. is a water resource management company that owns, operates, and manages 16 water, wastewater, and recycled water utilities in strategically located communities, principally in metropolitan Phoenix, Arizona. It seeks to deploy its integrated approach, Total Water Management, a term used to mean managing the entire water cycle by owning and operating the water, wastewater, and recycled water utilities within the same geographic areas in order to both conserve water and maximize its total economic and social value. The company uses Total Water Management to promote sustainable communities in areas where growth outpaces the existing potable water supply. Global Water recycles nearly one billion gallons of water annually. In February 2021, Global Water agreed to acquire two small water utility companies, Twin Hawks Utility, Inc. and Rincon Water Company. The acquisitions will add approximately 93 water connections. Has 79 employees. Chairman, C.E.O. &amp; President: Ron L. Fleming Address: 21410 N. 19th Avenue #220, Phoenix, AZ 85027. Tel.: (480) 360-7775. Internet: www.gwresources.com. E.B.</p> <p style="text-align: right;">April 9, 2021</p>		
"Cash Flow"	--	-8.5%			1.5	1.6	2.1			
Earnings	--	-50.0%			.0	.0	.0			
Dividends	--	1.0%			3.0	3.2	3.4			
Book Value	--	24.5%			17.3	12.3	23.5			
Fiscal Year	QUARTERLY SALES (\$mill.)		Full Year		LIABILITIES (\$mill.)					
	1Q	2Q	3Q	4Q						
12/31/18	7.4	10.8	9.0	8.3	312.1	326.3	340.2			
12/31/19	7.7	9.2	9.9	8.7	85.0	92.7	101.3			
12/31/20	8.2	9.9	10.8	9.7	227.1	233.6	238.9			
					18.1	20.2	21.0			
					262.5	266.1	283.4			
Fiscal Year	EARNINGS PER SHARE		Full Year		LONG-TERM DEBT AND EQUITY as of 12/31/20					
	1Q	2Q	3Q	4Q						
12/31/17	--	.02	.06	.15	.6	1.0	.5			
12/31/18	.02	.10	.03	--	.0	.1	2.0			
12/31/19	.02	.04	.05	d.01	9.0	9.0	9.9			
12/31/20	.02	d.01	.05	d.01	9.6	10.1	12.4			
12/31/21	d.01	.04	.06		Total Debt \$114.7 mill. Due in 5 Yrs. \$17.4 mill.					
Cal-endar	QUARTERLY DIVIDENDS PAID		Full Year		LT Debt \$112.7 mill.					
	1Q	2Q	3Q	4Q	Including Cap. Leases \$1 mill.					
2018	.071	.071	.071	.071	(78% of Cap'l)					
2019	.072	.072	.072	.072	Leases, Uncapitalized Annual rentals None					
2020	.073	.072	.073	.072	Pension Liability None in '20 vs. None in '19					
2021	.073				Pfd Stock None Pfd Div'd Paid None					
INSTITUTIONAL DECISIONS					Common Stock 22,588,000 shares (22% of Cap'l)					
	2Q'20	3Q'20	4Q'20		TOTAL SHAREHOLDER RETURN					
to Buy	33	18	26		Dividends plus appreciation as of 2/28/2021					
to Sell	22	33	21		3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	
Hld's(000)	8849	7844	7595		35.15%	58.52%	48.56%	118.55%	--	

MIDDLESEX WATER NDAQ-MSEX										RECENT PRICE	P/E RATIO 36.7 (Trailing: 37.0 Median: 23.0)				RELATIVE P/E RATIO	DIV'D YLD	1.4%	VALUE LINE
<b>TIMELINESS</b> 1 Raised 11/13/20	<b>SAFETY</b> 2 New 10/21/11	<b>TECHNICAL</b> 4 Lowered 4/9/21	<b>BETA</b> .70 (1.00 = Market)	High: 19.3 Low: 14.7	19.4 16.5	19.6 17.5	22.5 18.6	23.7 19.1	28.0 21.2	44.5 25.0	46.7 32.2	60.3 34.0	67.7 51.0	76.1 48.8	85.9 67.1	Target Price 2024 2025	Range 2026	
<b>18-Month Target Price Range</b> Low-High Midpoint (% to Mid) \$58-\$106 \$82 (0%)																		
<b>2024-26 PROJECTIONS</b> High Price 75 Gain (-5%) Ann'l Total Return N/A Low Price 55 Gain (-30%) N/A N/A																		
<b>Institutional Decisions</b> 2020 2021 2022 to Buy 68 52 67 to Sell 55 69 49 Hld's(000) 10359 10357 10675																		
<b>MARKET CAP: \$1.4 billion (Mid-Cap)</b>																		
<b>CAPITAL STRUCTURE as of 12/31/20</b> Total Debt \$282.5 mill. Due in 5 Yrs \$43.7 mill. LT Debt \$273.2 mill. LT Interest \$7.5 mill. (Total interest coverage: 7.3x) (44% of Cap'l)																		
<b>Pension Assets-12/20 \$88.9 mill. Oblig. \$115.9 mill.</b> Pfd Stock \$2.4 mill. Pfd Div'd: \$.1 mill.																		
<b>Common Stock 17,473,000 shs.</b>																		
<b>MARKET CAP: \$1.4 billion (Mid-Cap)</b>																		
<b>CURRENT POSITION</b> 2018 2019 12/31/20 (\$MILL.) Cash Assets 3.7 2.2 4.5 Other 27.1 26.9 29.6 Current Assets 30.8 29.1 34.1 Accts Payable 19.3 23.3 30.4 Debt Due 55.8 27.2 9.3 Other 19.3 14.5 17.1 Current Liab. 94.4 65.0 56.8																		
<b>ANNUAL RATES</b> Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 of change (per sh) 10 Yrs. 5 Yrs. to '24-'26 Revenues 2.0% 2.0% 2.0% "Cash Flow" 7.5% 10.5% 3.5% Earnings 9.0% 12.5% 4.5% Dividends 3.0% 5.0% 5.5% Book Value 5.5% 8.0% 2.5%																		
<b>QUARTERLY REVENUES (\$ mill.)</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 31.2 34.9 38.7 33.3 138.1 2019 30.7 33.4 37.8 32.7 134.6 2020 31.8 35.3 39.9 34.6 141.6 2021 33.0 37.0 44.0 36.0 150 2022 34.0 38.0 45.0 38.0 155																		
<b>EARNINGS PER SHARE ^</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 .27 .52 .74 .43 1.96 2019 .39 .49 .66 .46 2.01 2020 .44 .55 .72 .47 2.18 2021 .45 .55 .73 .52 2.25 2022 .47 .57 .76 .55 2.35																		
<b>QUARTERLY DIVIDENDS PAID ^</b> Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .2125 .2125 .2125 .22375 .86 2018 .22375 .22375 .22375 .24 .91 2019 .24 .24 .24 .2562 .98 2020 .2562 .2562 .2562 .2725 1.04 2021 .2725																		
<b>BUSINESS:</b> 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 2020, the Middlesex System accounted for 59% of operating revenues. At 12/31/20, the company had 348 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 3.1% of the com. stock; BlackRock Inst. Trust Co., 7.7% (4/20 proxy). Add.: 485 C Route 1 South, Suite 400, Iselin, NJ 08830. Tel.: 732-634-1500. Int.: www.middlesexwater.com.																		
<b>Shares of Middlesex Water continue to march higher.</b> The equity established yet another all-time high in early February, but has since retracted modestly to slightly above \$80 per share. Still, the stock is up about 10% in price since our early-January review, keeping intact its enviable multiyear price ascent. Based on our Timeliness ranking scale, MSEX shares are slated to outperform (1: Highest) the broader market over the coming six to 12 months. Thus, they may pique the interest of near-term accounts. <b>The stage is set for respectable top-and bottom-line growth this year.</b> Favorable operating trends, which were evident in the fourth quarter, are likely to persist over the near- to intermediate-terms. These include increased residential and wholesale water consumption owing to more people staying at home and greater handwashing frequency, as well as an expanding customer base in its Delaware water system. A recently inked contract with Highland Park in its New Jersey system is a positive, too. Adding it all up, revenues are poised to expand 6%, to \$150 million, and will likely be accompanied by a 3% earnings advance, to \$2.25 per share. <b>From a financial perspective, the company ought to be a stable performer over the pull to mid-decade.</b> Modest revenue and earnings growth is likely on tap for 2022. Meanwhile, significant infrastructure spending may well overflow into the 3- to 5-year time frame. Management has laid out a budget of nearly \$300 million through its Water For Tomorrow program, which aims to upgrade water mains, piping, and wastewater treatment facilities. Most recently, the company announced a \$10 million investment to improve its drinking water infrastructure in New Jersey. Overall, aggressive spending ought to eventually curb unnecessary operating costs, and may well facilitate additional rate hikes going forward. <b>Shares of Middlesex Water are currently trading beyond the upper end of our 3- to 5-year Target Price parameters.</b> This is so even after modestly lifting our P/E multiple to 24x. All in all, subscribers with an investment horizon of 18 months or longer can find more-attractive options elsewhere, at this juncture.																		
Nicholas P. Patrikis April 9, 2021																		
<b>Company's Financial Strength</b> B++ <b>Stock's Price Stability</b> 85 <b>Price Growth Persistence</b> 65 <b>Earnings Predictability</b> 85																		
<b>(A)</b> Diluted earnings. Next earnings report due early May. <b>(B)</b> Dividends historically paid in mid-Feb., May, Aug., and November. Div'd reinvestment plan available. <b>(C)</b> In millions.																		

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SJW GROUP NYSE-SJW				RECENT PRICE	P/E RATIO	Trailing: 29.6 Median: 21.0	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE	Target Price	Range								
				63.42	26.9		1.23	2.1%		2024	2025	2026							
TIMELINESS — E	High: 28.2	26.8	26.9	30.1	33.7	35.7	56.9	69.3	68.4	74.5	75.0	71.7							
SAFETY 3 New 4/22/11	Low: 21.6	20.9	22.6	24.5	25.5	27.5	28.6	45.4	51.3	53.9	45.6	58.0							
TECHNICAL — E	<b>LEGENDS</b> — 1.50 x Dividends p sh divided by Interest Rate ..... Relative Price Strength Options: Yes Shaded area indicates recession																		
BETA .85 (1.00 = Market)																			
18-Month Target Price Range	Low-High Midpoint (% to Mid) \$53-\$123 \$88 (40%)																		
2024-26 PROJECTIONS	High	Price	Gain	Ann'l Total															
	Low	100	(+60%)	Return															
		65	(Nil)	14%															
				3%															
Institutional Decisions	Percent shares traded 15 10 5																		
2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3						
to Buy	78	62	80	80	80	80	80	80	80	80	80	80	80						
to Sell	75	77	68	68	68	68	68	68	68	68	68	68	68						
Hlds(000)	19939	19827	19850	19850	19850	19850	19850	19850	19850	19850	19850	19850	19850						
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024-26
9.86	10.35	11.25	12.12	11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.97	14.00	14.78	19.77	20.00	20.65	Revenues per sh	22.15
2.21	2.38	2.30	2.44	2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	5.24	3.29	3.67	5.28	4.25	4.40	"Cash Flow" per sh	5.30
1.12	1.19	1.04	1.08	.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.86	1.82	1.35	2.14	2.55	2.70	Earnings per sh A	3.65
.53	.57	.61	.65	.66	.68	.69	.71	.73	.75	.78	.81	1.04	1.12	1.20	1.28	1.36	1.44	Div'd Decl'd per sh B=C	1.72
2.83	3.87	6.62	3.79	3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	7.26	5.08	6.25	7.44	6.75	7.00	Cap'l Spending per sh	7.50
10.72	12.48	12.90	13.99	13.66	13.75	14.20	14.71	15.92	17.75	18.83	20.61	22.57	31.31	31.27	32.12	35.60	36.95	Book Value per sh	40.85
18.27	18.28	18.36	18.18	18.50	18.55	18.59	18.67	20.17	20.29	20.38	20.46	20.52	28.40	28.46	28.56	29.50	29.75	Common Shs Outst'g C	30.00
19.7	23.5	33.4	26.2	28.7	29.1	21.2	20.4	24.3	11.2	16.6	15.7	18.8	32.7	47.8	30.0	25.5	1.56	Avg Ann'l P/E Ratio	23.0
1.05	1.27	1.77	1.58	1.91	1.85	1.33	1.30	1.37	.59	.84	.82	.95	1.77	2.55	1.56	2.55	1.56	Relative P/E Ratio	1.30
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%	1.9%	1.9%	2.0%	2.0%	2.0%	Avg Ann'l Div'd Yield	2.1%
<b>CAPITAL STRUCTURE as of 12/31/20</b>																			
Total Debt \$1363.8 mill. Due in 5 Yrs \$22.4 mill.				239.0	261.5	276.9	319.7	305.1	339.7	389.2	397.7	420.5	564.5	590	615	Revenues (\$mill)	665		
LT Debt \$1287.6 mill. LT Interest \$50.0 mill.				20.9	22.3	23.5	51.8	37.9	52.8	38.8	38.7	61.5	75.0	80.0	Net Profit (\$mill)	110			
(LT Interest Coverage: 3.8x)				41.1%	41.1%	38.7%	32.5%	38.1%	38.8%	36.7%	20.6%	25.3%	12.0%	21.0%	21.5%	Income Tax Rate	21.0%		
(58% of Cap'l)				--	--	--	--	--	--	--	--	2.0%	1.5%	1.5%	1.5%	AFUDC % to Net Profit	1.5%		
				56.6%	55.0%	51.1%	51.6%	49.8%	50.7%	48.2%	32.7%	59.1%	58.4%	53.5%	51.0%	Long-Term Debt Ratio	38.0%		
				43.4%	45.0%	48.9%	48.4%	50.2%	49.3%	51.8%	67.3%	40.9%	41.6%	46.5%	49.0%	Common Equity Ratio	62.0%		
				607.9	610.2	656.2	744.5	764.6	855.0	894.3	1320.7	2173.6	2204.7	2250	2250	Total Capital (\$mill)	1975		
				756.2	831.6	898.7	963.0	1036.8	1146.4	1239.3	1328.8	2206.5	2334.9	2450	2565	Net Plant (\$mill)	2775		
<b>Pension Assets-12/20</b> \$278.1 mill.				4.9%	5.0%	5.0%	8.3%	6.3%	7.4%	7.9%	3.9%	2.5%	4.0%	4.0%	4.0%	Return on Total Cap'l	6.0%		
Oblig. \$386.1 mill.				7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	4.3%	6.7%	7.0%	7.5%	Return on Shr. Equity	9.0%		
<b>Pfd Stock None.</b>				7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	4.3%	6.7%	7.0%	7.5%	Return on Com Equity	9.0%		
<b>Common Stock</b> 28,560,000 shs.				3.1%	3.3%	2.8%	10.2%	5.7%	8.6%	8.2%	1.8%	.5%	2.7%	3.5%	3.5%	Retained to Com Eq	4.5%		
<b>MARKET CAP: \$1.8 billion (Mid Cap)</b>				61%	59%	62%	29%	42%	31%	36%	60%	88%	59%	53%	53%	All Div'ds to Net Prof	47%		
<b>CURRENT POSITION (\$MILL.)</b>																			
Cash Assets	420.7	17.9	9.3																
Accts Receivable	19.2	36.3	58.1																
Other	62.8	67.8	59.9																
Current Assets	502.7	122.0	127.3																
Accts Payable	24.9	34.9	34.2																
Debt Due	139.1	177.4	240.4																
Other	139.1	177.4	240.4																
Current Liab.	164.0	234.6	350.8																
<b>ANNUAL RATES</b>				Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20													
of change (per sh)				10 Yrs.	5 Yrs.	to '24-'26													
Revenues	3.0%	2.0%	5.5%																
"Cash Flow"	5.5%	2.0%	4.5%																
Earnings	7.0%	-5%	13.0%																
Dividends	6.0%	10.0%	6.0%																
Book Value	8.5%	12.5%	4.5%																
<b>QUARTERLY REVENUES (\$ mill.)</b>				Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year										
2018	75.0	99.1	124.9	98.7	397.7														
2019	77.7	103.0	114.0	126.0	420.5														
2020	115.8	147.2	165.9	135.6	564.5														
2021	120	150	175	145	590														
2022	125	155	185	150	615														
<b>EARNINGS PER SHARE A</b>				Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year										
2018	.06	.62	.76	.38	1.82														
2019	.21	.47	.33	.34	1.35														
2020	.08	.69	.91	.46	2.14														
2021	.20	.75	.95	.65	2.55														
2022	.23	.77	1.00	.70	2.70														
<b>QUARTERLY DIVIDENDS PAID B=D</b>				Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year										
2017	.2175	.2175	.2175	.3875	1.04														
2018	.28	.28	.28	.28	1.12														
2019	.30	.30	.30	.30	1.20														
2020	.32	.32	.32	.32	1.28														
2021	.34																		
<b>BUSINESS:</b> SJW Group engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 231,000 connections with a total population of roughly one million people in the San Jose area and 16,000 connections that reach about 49,000 residents in the region between San Antonio and Austin, Texas. The company merged with Connecticut Water (10/19) which provides service to approx. 138,000 connections with a total population of 450,000 people. Has 361 employees. Officers and directors own 8.3% of outstanding shares (3/21 proxy). Chairman & CEO: Eric Thornburg. Incorporated: California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.																			
<b>SJW Group posted better-than-expected top- and bottom-line results to close 2020.</b> December-period revenues of \$136 million came in about \$5 million above our call, while earnings of \$0.46 a share exceeded our \$0.42 expectation. The overall outperformance was driven primarily by greater customer usage, cumulative water rate increases, slimmer operating expenses due to lower merger-related costs, and a decline in general & administrative expenses.																			
<b>Noteworthy share-profit expansion is likely in the cards this year and next.</b> Water production costs are apt to rise in conjunction with increased water consumption and a widening customer base, but operating expenses may well trend lower. Not to mention, we think significant merger synergies are likely to develop. All told, we think SJW will earn \$2.55 a share this year, and \$2.70 a share in 2022.																			
<b>The coast-to-coast regulated water utility has tapped the equity markets.</b> Specifically, the company recently closed a public offering of over one million shares, netting proceeds of almost \$61 million. Management's plan for the raised funds																			
include paying down outstanding obligations, various capital expenditures, and general corporate purposes.																			
<b>The long-term growth narrative remains largely unaltered.</b> Increased residential and wholesale water consumption, alongside periodic rate hikes, ought to keep revenues moving in the right direction. SJW Group's diverse geographical footprint is advantageous, and should expand further down the road. From an operational standpoint, robust capital spending on infrastructure upgrades ought to boost efficiency, as much of these costs can eventually be passed along to the consumer.																			
<b>Unranked SJW shares are a bit more appealing for patient accounts following their recent step back in price.</b> At recent levels, capital appreciation potential out to mid-decade is slightly above average, thus presenting a decent entry point for interested subscribers to start building a position. What's more, the dividend yield is now comfortably above the Value Line median, and ranks among the top payers in the Water Utilities Industry.																			
Nicholas P. Patrikis				April 9, 2021															
<b>(A)</b> Diluted earnings. Excludes nonrecurring losses: '05, \$1.09; '06, \$16.36; '08, \$1.22; '10, \$0.46. GAAP accounting as of 2013. Next earnings report due early May. Quarterly egs.				may not add due to rounding.				<b>(C)</b> In millions.				<b>Company's Financial Strength</b> B+				<b>Stock's Price Stability</b> 75			
<b>(B)</b> Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.				<b>(D)</b> Paid special dividend of \$0.17 per share on 11/17.				<b>(E)</b> Suspended due to recent CTWS merger.				<b>Price Growth Persistence</b> 70				<b>Earnings Predictability</b> 45			
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YORK WATER NDQ:YORW				RECENT PRICE	P/E RATIO	(Trailing: 38.4 Median: 26.0)	RELATIVE P/E RATIO	DIV'D YLD	1.5%	VALUE LINE								
TIMELINESS	3	Lowered 1/15/21	High: 18.0	18.1	18.5	22.0	24.3	26.7	39.8	39.9	36.1	47.3	51.3	51.9		Target Price	Range	
SAFETY	3	Lowered 7/17/15	Low: 12.8	15.8	16.8	17.6	18.8	19.7	23.8	31.7	27.5	30.3	34.6	40.7		2024	2025	2026
TECHNICAL	3	Lowered 4/2/21	<b>LEGENDS</b> 1.10 x Dividends p sh divided by Interest Rate - - - - Relative Price Strength Options: Yes Shaded area indicates recession															
BETA	.80	(1.00 = Market)																
18-Month Target Price Range			Low-High Midpoint (% to Mid) \$36-\$76 \$56 (15%)															
2024-26 PROJECTIONS			High Price 50 Gain (+5%) 35 Ann'l Total Return 2% (-30%) -6%															
Institutional Decisions			2Q2020 3Q2020 4Q2020 to Buy 59 46 56 to Sell 48 53 46 Hld's(000) 5479 5302 5341															
Percent shares traded			2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022															
© VALUE LINE PUB. LLC			2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022															
Revenues per sh			5.10															
"Cash Flow" per sh			2.45															
Earnings per sh <sup>A</sup>			1.65															
Div'd Decl'd per sh <sup>B</sup>			1.00															
Cap'l Spending per sh			1.85															
Book Value per sh			12.90															
Common Shs Outst'g <sup>C</sup>			12.80															
Avg Ann'l P/E Ratio			25.0															
Relative P/E Ratio			1.40															
Avg Ann'l Div'd Yield			2.4%															
CAPITAL STRUCTURE as of 12/31/20			Total Debt \$123.6 mill. Due in 5 Yrs \$42.5 mill. LT Debt \$123.6 mill. LT Interest \$5.5 mill.															
Pension Assets 12/20 \$56.3 mill. Oblig. \$54.1 mill.			(46% of Cap'l) 40.6 41.4 42.4 45.9 47.1 47.6 48.6 48.4 51.6 53.9 54.5 56.0 65.0 65.0 9.1 9.3 9.7 11.5 12.5 11.8 13.0 13.4 14.4 16.6 17.5 18.0 21.0 21.0															
Pfd Stock None			35.3% 37.6% 37.6% 29.8% 27.5% 31.3% 25.9% 15.7% 13.5% 18.5% 21.0% 21.0% 1.1% 1.1% .8% 1.8% 1.6% 1.9% 6.7% 1.7% 2.5% 1.5% 1.5% 1.5%															
Common Stock 13,060,817 shs.			47.1% 46.0% 45.1% 44.8% 44.4% 42.6% 43.0% 42.5% 41.3% 46.3% 44.5% 42.5% 52.9% 54.0% 54.9% 55.2% 55.6% 57.4% 57.0% 57.5% 58.7% 53.7% 55.5% 57.5%															
MARKET CAP: \$625 million (Small Cap)			180.2 184.8 188.4 189.4 196.3 198.7 209.5 219.5 228.7 266.9 270 270 233.0 240.3 244.2 253.2 261.4 270.9 288.8 299.2 313.2 343.6 355 370															
CURRENT POSITION (SMILL)			2018 2019 12/31/20 2.5% 2.4% 2.4% 3.9% 4.4% 3.4% 4.0% 3.8% 4.0% 4.9% 5.0% 4.5% 73% 74% 74% 64% 62% 67% 63% 64% 62% 58% 58% 59%															
BUSINESS: The York Water Company is the oldest investor-owned regulated water utility in the United States. It has operated continuously since 1816. As of December 31, 2020, the company's average daily availability was 35.6 million gallons and its service territory had an estimated population of 202,000. Has more than 72,600 customers. Residential customers accounted for 66% of 2020 revenues.			nues; commercial and industrial (26%); other (8%). It also provides sewer billing services. Incorporated: PA. York had 108 full-time employees at 12/31/20. President/Chief Executive Officer: J.T. Hand. Officers/directors own 1.3% of the common stock (3/21 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: www.yorkwater.com.															
ANNUAL RATES of change (per sh)			Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 to '24-'26 Revenues 3.0% 2.5% 4.0% "Cash Flow" 6.0% 5.5% 6.5% Earnings 6.0% 6.0% 6.5% Dividends 3.0% 4.0% 6.0% Book Value 4.5% 4.0% 4.0%															
YORK WATER DELIVERED DECENT TOP- AND BOTTOM-LINE RESULTS TO CONCLUDE 2020. In the December period, revenues of \$13.4 million rose 2%, year over year, while earnings of \$0.28 advanced 8%. For the full year, the regulated water utility benefited from rate increases, higher residential water consumption due to more people staying at home, and strong customer base expansion. Capital investment was robust in 2020, as the company spent more than \$30 million on infrastructure upgrades such as standpipe replacements and raw water pumping station and wastewater treatment improvements. Our preliminary 2022 financial projections suggest modest expansion is likely to persist. For the current year, we are maintaining our revenue call of \$54.5 million, but are adding a nickel to our earnings forecast, to \$1.35 per share. For next year, we anticipate low single-digit top- and bottom-line growth of 3% and 4%, respectively. The long-term outlook is bright, as well. Water consumption ought to remain stable, and possibly trend higher, as York's customer base expands further. In addition, the company is likely to keep its foot on the gas in terms of capital investments, as its aging infrastructure demands increased attention. This ought to precipitate periodic rate hikes, which help to alleviate some of these expenses. The stock is trading around recently minted all-time high territory. Underpinning the investment community's notable enthusiasm of late, in our view, is a combination of strong quarterly operating performances and a broad-based flight-to-safety approach amidst an uncertain, albeit improving economic backdrop. York Water is indeed a noncyclical, conservative security, as its water utility operations stand at the core of everyday life, and are largely immune to economic shocks. We do not recommend starting a position at the recent quotation. On the contrary, committed investors may want to consider locking in some profits following the multiyear price ascent. Moreover, the equity is pegged as a year-ahead market performer, and offers limited price upside over the pull to 2024-2026. The dividend yield leaves much to be desired, too.			Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 11.6 12.0 12.7 12.1 48.4 2019 11.8 13.0 13.7 13.1 51.6 2020 12.9 13.3 14.3 13.4 53.9 2021 13.0 13.5 14.5 13.5 54.5 2022 13.5 13.7 15.0 13.8 56.0															
EARNINGS PER SHARE <sup>A</sup>			Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2018 .20 .26 .29 .29 1.04 2019 .22 .28 .35 .26 1.11 2020 .31 .32 .36 .28 1.27 2021 .28 .35 .37 .35 1.35 2022 .30 .36 .38 .36 1.40															
QUARTERLY DIVIDENDS PAID <sup>B</sup>			Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2017 .1602 .1602 .1602 .1666 .647 2018 .1666 .1666 .1666 .1733 .673 2019 .1733 .1733 .1733 .1802 .70 2020 .1802 .1802 .1802 .1874 .73 2021 .1874															
Company's Financial Strength			B+															
Stock's Price Stability			75															
Price Growth Persistence			65															
Earnings Predictability			100															
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(A) Diluted earnings. Next earnings report due early May.  
 (B) Dividends historically paid in late February, June, September, and December.

(C) In millions, adjusted for split.

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Nicholas P. Patrikis April 9, 2021

Utilities, Inc. of Louisiana  
Summary of Risk Premium Models for the  
Proxy Group of Eight Water Companies

	<u>Proxy Group of Eight Water Companies</u>
Predictive Risk Premium Model (PRPM) (1)	12.13 %
Risk Premium Using an Adjusted Total Market Approach (2)	<u>9.92 %</u>
Average	<u><u>11.03 %</u></u>

Notes:

- (1) From page 2 of this Schedule.
- (2) From page 3 of this Schedule.

Utilities, Inc. of Louisiana  
 Indicated ROE  
 Derived by the Predictive Risk Premium Model (1)

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Eight Water Companies	LT Average Predicted Variance	Spot Predicted Variance	Recommended Variance	GARCH Coefficient	Predicted Risk Premium (2)	Risk-Free Rate (3)	Indicated ROE (4)
American States Water Company	0.38%	0.35%	0.36%	1.8535	8.37%	2.73%	11.10%
American Water Works Company, Inc.	0.23%	0.17%	0.20%	5.8359	15.13%	2.73%	NMF
Artesian Resources Corporation	0.32%	0.35%	0.34%	2.0979	8.80%	2.73%	11.53%
California Water Service Group	0.32%	0.31%	0.31%	2.0227	7.85%	2.73%	10.58%
Global Water Resources, Inc.	0.57%	0.53%	0.55%	1.9704	13.80%	2.73%	16.53%
Middlesex Water Company	0.31%	0.58%	0.45%	2.1701	12.25%	2.73%	14.98%
SJW Group	0.41%	0.37%	0.39%	1.5296	7.40%	2.73%	10.13%
The York Water Company	0.45%	0.37%	0.41%	2.2144	11.49%	2.73%	14.22%
						Average	12.72%
						Median	11.53%
						Average of Mean and Median	12.13%

NMF = Not Meaningful Figure

Notes:

- (1) The Predictive Risk Premium Model uses historical data to generate a predicted variance and a GARCH coefficient. The historical data used are the equity risk premiums for the first available trading month as reported by Bloomberg Professional Service.
- (2)  $(1 + (\text{Column [3]} * \text{Column [4]}^{12}) - 1)$
- (3) From note 2 on page 2 of Schedule DWD-5.
- (4) Column [5] + Column [6].

Utilities, Inc. of Louisiana  
 Indicated Common Equity Cost Rate  
 Through Use of a Risk Premium Model  
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Eight Water Companies</u>
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	3.44 %
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A2 Rated Public Utility Bonds	<u>0.42</u> (2)
3.	Adjusted Prospective Yield on A2 Rated Public Utility Bonds	3.86 %
4.	Adjustment to Reflect Bond Rating Difference of Proxy Group	<u>0.05</u> (3)
5.	Adjusted Prospective Bond Yield	3.91 %
6.	Equity Risk Premium (4)	<u>6.01</u>
7.	Risk Premium Derived Common Equity Cost Rate	<u><u>9.92</u></u> %

- Notes: (1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 10 and 11 of this Schedule).
- (2) The average yield spread of A2 rated public utility bonds over Aaa rated corporate bonds of 0.42% from page 4 of this Schedule.
- (3) Adjustment to reflect the A2/A3 Moody's LT issuer rating of the Utility Proxy Group as shown on page 5 of this Schedule. The 0.05% upward adjustment is derived by taking 1/6 of the spread between A2/A3 and Baa2 Public Utility Bonds ( $1/6 * 0.27\% = 0.05\%$ ) as derived from page 4 of this Schedule.
- (4) From page 7 of this Schedule.

Utilities, Inc. of Louisiana  
 Interest Rates and Bond Spreads for  
Moody's Corporate and Public Utility Bonds

Selected Bond Yields

	[1]	[2]	[3]
	<u>Aaa Rated Corporate Bond</u>	<u>A2 Rated Public Utility Bond</u>	<u>Baa2 Rated Public Utility Bond</u>
Mar-2021	3.04 %	3.44 %	3.72 %
Feb-2021	2.70	3.09	3.37
Jan-2021	<u>2.45</u>	<u>2.91</u>	<u>3.18</u>
Average	<u>2.73 %</u>	<u>3.15 %</u>	<u>3.42 %</u>

Selected Bond Spreads

A2 Rated Public Utility Bonds Over Aaa Rated Corporate Bonds:  
0.42 % (1)

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds:  
0.27 % (2)

Notes:

- (1) Column [2] - Column [1].
- (2) Column [3] - Column [2].

Source of Information:

Bloomberg Professional Service

Utilities, Inc. of Louisiana  
Comparison of Long-Term Issuer Ratings for  
Proxy Group of Eight Water Companies

	<u>Moody's</u>		<u>Standard &amp; Poor's</u>	
	<u>Long-Term Issuer Rating</u>		<u>Long-Term Issuer Rating</u>	
	<u>April 2021</u>		<u>April 2021</u>	
<u>Proxy Group of Eight Water Companies</u>	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting (1)</u>	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting (1)</u>
American States Water Company (2)	A2	6.0	A+	5.0
American Water Works Company, Inc. (3)	A3	7.0	A	6.0
Artesian Resources Corporation	NR	--	NR	--
California Water Service Group	NR	--	A+	5.0
Global Water Resources, Inc.	NR	--	NR	--
Middlesex Water Company	NR	--	A	6.0
SJW Group (4)	NR	--	A/A-	6.5
The York Water Company	NR	--	A-	7.0
Average	<u>A2/A3</u>	<u>6.5</u>	<u>A</u>	<u>5.9</u>

Notes:

- (1) From page 6 of this Schedule.
- (2) Ratings that of Golden State Water Company.
- (3) Ratings that of New Jersey and Pennsylvania American Water Companies.
- (4) Ratings that of San Jose Water Company and The Connecticut Water Company

Source Information:      Moody's Investors Service  
Standard & Poor's Global Utilities Rating Service

Numerical Assignment for  
Moody's and Standard & Poor's Bond Ratings

<u>Moody's Bond Rating</u>	<u>Numerical Bond Weighting</u>	<u>Standard &amp; Poor's Bond Rating</u>
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B2	15	B
B3	16	B-

Utilities, Inc. of Louisiana  
Judgment of Equity Risk Premium for the  
Proxy Group of Eight Water Companies

<u>Line No.</u>		<u>Proxy Group of Eight Water Companies</u>
1.	Calculated equity risk premium based on the total market using the beta approach (1)	6.52 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A2 rated bonds (2)	<u>5.49</u>
3.	Average equity risk premium	<u><u>6.01 %</u></u>

Notes: (1) From page 8 of this Schedule.  
(2) From page 12 of this Schedule.

Utilities, Inc. of Louisiana  
Derivation of Equity Risk Premium Based on the Total Market Approach  
Using the Beta for the  
Proxy Group of Eight Water Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Eight Water Companies</u>
<u>Ibbotson-Based Equity Risk Premiums:</u>		
1.	Ibbotson Equity Risk Premium (1)	5.92 %
2.	Regression on Ibbotson Risk Premium Data (2)	8.83
3.	Ibbotson Equity Risk Premium based on PRPM (3)	9.40
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	4.80
5.	Equity Risk Premium Based on Value Line S&P 500 Companies (5)	10.66
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	<u>10.57</u>
7.	Conclusion of Equity Risk Premium	8.36 %
8.	Adjusted Beta (7)	<u>0.78</u>
9.	Forecasted Equity Risk Premium	<u><u>6.52 %</u></u>

Notes provided on page 9 of this Schedule.

Utilities, Inc. of Louisiana  
Derivation of Equity Risk Premium Based on the Total Market Approach  
Using the Beta for the  
Proxy Group of Eight Water Companies

Notes:

- (1) Based on the arithmetic mean historical monthly returns on large company common stocks from Ibbotson® SBBBI® 2020 Market Report minus the arithmetic mean monthly yield of Moody's average Aaa and Aa2 corporate bonds from 1928-2020.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2020 referenced in Note 1 above.
- (3) The Predictive Risk Premium Model (PRPM) is discussed in the accompanying direct testimony. The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa2 corporate monthly bond yields, from January 1928 through March 2021.
- (4) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 3.44% (from page 3 of this Schedule) from the projected 3-5 year total annual market return of 8.24% (described fully in note 1 on page 2 of Schedule DWD-5).
- (5) Using data from Value Line for the S&P 500, an expected total return of 14.10% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.44% results in an expected equity risk premium of 10.66%.
- (6) Using data from the Bloomberg Professional Service for the S&P 500, an expected total return of 14.01% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.44% results in an expected equity risk premium of 10.57%.
- (7) Average of mean and median beta from Schedule DWD-5.

Sources of Information:

Stocks, Bonds, Bills, and Inflation - 2021 SBBBI Yearbook, John Wiley & Sons, Inc.  
Industrial Manual and Mergent Bond Record Monthly Update.  
Value Line Summary and Index  
Blue Chip Financial Forecasts, April 1, 2021 and December 1, 2020  
Bloomberg Professional Service

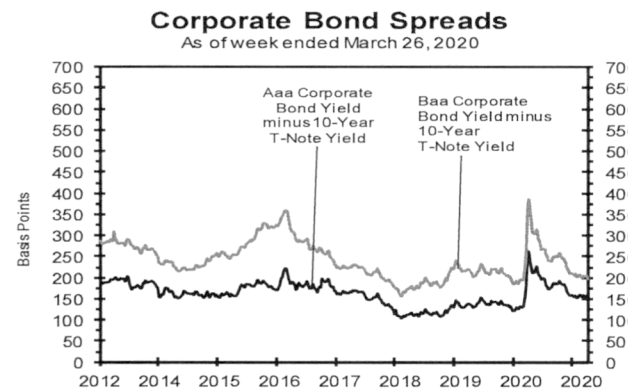
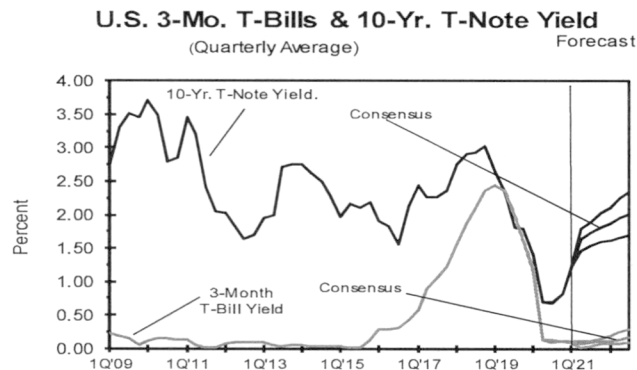
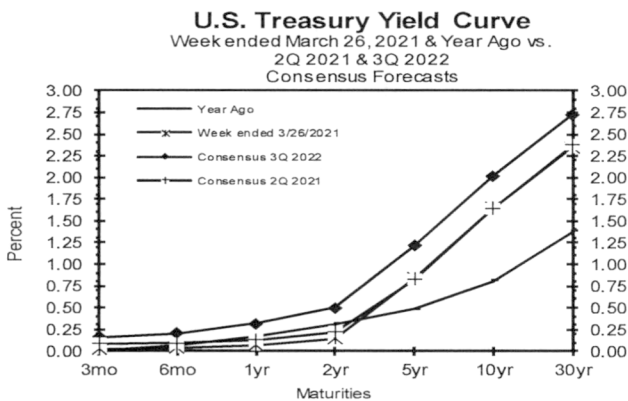
### Consensus Forecasts of U.S. Interest Rates and Key Assumptions

Interest Rates	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month			Latest Qtr	2Q	3Q	4Q	1Q	2Q	3Q
	Mar 26	Mar 19	Mar 12	Mar 5	Feb	Jan	Dec	1Q 2021*	2021	2021	2021	2022	2022	2022
Federal Funds Rate	0.07	0.07	0.07	0.07	0.08	0.09	0.09	0.08	0.1	0.1	0.1	0.1	0.1	0.1
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.3	3.3	3.3	3.3	3.3	3.3
LIBOR, 3-mo.	0.20	0.19	0.18	0.18	0.19	0.22	0.23	0.20	0.2	0.3	0.3	0.3	0.3	0.3
Commercial Paper, 1-mo.	0.07	0.07	0.07	0.06	0.06	0.08	0.09	0.07	0.1	0.1	0.1	0.1	0.2	0.2
Treasury bill, 3-mo.	0.02	0.02	0.04	0.04	0.04	0.08	0.09	0.05	0.1	0.1	0.1	0.1	0.1	0.2
Treasury bill, 6-mo.	0.04	0.05	0.06	0.07	0.06	0.09	0.09	0.07	0.1	0.1	0.1	0.1	0.2	0.2
Treasury bill, 1 yr.	0.07	0.07	0.09	0.08	0.07	0.10	0.10	0.08	0.1	0.2	0.2	0.2	0.3	0.3
Treasury note, 2 yr.	0.14	0.15	0.16	0.14	0.12	0.13	0.14	0.13	0.2	0.3	0.3	0.4	0.4	0.5
Treasury note, 5 yr.	0.84	0.85	0.82	0.73	0.54	0.45	0.39	0.61	0.8	0.9	1.0	1.1	1.1	1.2
Treasury note, 10 yr.	1.65	1.66	1.57	1.49	1.26	1.08	0.93	1.32	1.6	1.7	1.8	1.9	2.0	2.0
Treasury note, 30 yr.	2.35	2.41	2.30	2.25	2.04	1.82	1.67	2.08	2.4	2.5	2.5	2.6	2.7	2.7
Corporate Aaa bond	3.15	3.23	3.13	3.06	2.84	2.64	2.52	2.88	3.0	3.1	3.2	3.3	3.4	3.4
Corporate Baa bond	3.63	3.71	3.62	3.52	3.30	3.14	3.03	3.36	3.9	4.0	4.1	4.2	4.3	4.4
State & Local bonds	2.75	2.74	2.72	2.77	2.63	2.65	2.70	2.68	2.7	2.9	3.0	3.0	3.1	3.2
Home mortgage rate	3.17	3.09	3.05	3.02	2.81	2.74	2.68	2.88	3.2	3.3	3.4	3.5	3.6	3.7

Key Assumptions	History								Consensus Forecasts-Quarterly						
	2Q				3Q			4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	2019	2019	2019	2020	2020	2020	2020	2020	2021**	2021	2021	2021	2022	2022	2022
Fed's AFE \$ Index	110.4	110.6	110.5	111.4	112.4	107.3	105.2	103.4	104.0	103.9	103.9	103.6	103.5	103.4	
Real GDP	1.5	2.6	2.4	-5.0	-31.4	33.4	4.3	4.3	8.1	6.9	4.8	3.5	3.0	2.7	
GDP Price Index	2.5	1.5	1.4	1.4	-1.8	3.5	2.0	2.2	2.1	2.1	2.0	1.9	2.1	2.2	
Consumer Price Index	3.5	1.3	2.6	1.0	-3.1	4.7	2.4	2.8	2.4	2.1	2.0	2.0	2.1	2.2	
PCE Price Index	2.5	1.4	1.5	1.3	-1.6	3.7	1.5	2.7	2.2	2.0	1.9	1.9	2.0	2.1	

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; LIBOR quotes from Intercontinental Exchange. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS). \*Interest rate data for 1Q 2021 based on historical data through the week ended March 26. \*\*Data for 1Q 2021 for the Fed's AFE \$ Index based on data through the week ended March 26. Figures for 1Q 2021 Real GDP, GDP Chained Price Index and CPI and PCE Price Index are consensus forecasts from the March 2021 survey.



# Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2022 through 2026 and averages for the five-year periods 2022-2026 and 2027-2031. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

		Average For The Year					Five-Year Averages	
		2022	2023	2024	2025	2026	2022-2026	2027-2031
1. Federal Funds Rate	<b>CONSENSUS</b>	0.1	0.3	0.7	1.2	1.5	0.8	1.8
	Top 10 Average	0.2	0.7	1.4	2.0	2.4	1.3	2.5
	Bottom 10 Average	0.1	0.1	0.2	0.4	0.6	0.3	1.2
2. Prime Rate	<b>CONSENSUS</b>	3.3	3.5	3.9	4.3	4.6	3.9	4.9
	Top 10 Average	3.4	3.7	4.4	5.0	5.4	4.4	5.4
	Bottom 10 Average	3.2	3.2	3.3	3.5	3.8	3.4	4.5
3. LIBOR, 3-Mo.	<b>CONSENSUS</b>	0.4	0.6	1.1	1.5	1.8	1.1	2.2
	Top 10 Average	0.5	1.0	1.7	2.2	2.6	1.6	2.7
	Bottom 10 Average	0.3	0.3	0.5	0.8	1.1	0.6	1.6
4. Commercial Paper, 1-Mo	<b>CONSENSUS</b>	0.3	0.7	1.2	1.6	1.9	1.1	2.1
	Top 10 Average	0.4	0.9	1.6	2.1	2.4	1.5	2.5
	Bottom 10 Average	0.2	0.4	0.8	1.2	1.5	0.8	1.7
5. Treasury Bill Yield, 3-Mo	<b>CONSENSUS</b>	0.2	0.4	0.8	1.2	1.5	0.8	1.9
	Top 10 Average	0.3	0.7	1.5	2.0	2.4	1.4	2.5
	Bottom 10 Average	0.1	0.1	0.2	0.5	0.7	0.3	1.3
6. Treasury Bill Yield, 6-Mo	<b>CONSENSUS</b>	0.2	0.5	0.9	1.3	1.6	0.9	2.0
	Top 10 Average	0.3	0.8	1.6	2.1	2.5	1.5	2.6
	Bottom 10 Average	0.1	0.2	0.3	0.5	0.8	0.4	1.4
7. Treasury Bill Yield, 1-Yr	<b>CONSENSUS</b>	0.3	0.6	1.0	1.4	1.8	1.0	2.1
	Top 10 Average	0.5	1.0	1.7	2.3	2.6	1.6	2.7
	Bottom 10 Average	0.2	0.3	0.4	0.7	0.9	0.5	1.6
8. Treasury Note Yield, 2-Yr	<b>CONSENSUS</b>	0.4	0.8	1.2	1.6	1.9	1.2	2.3
	Top 10 Average	0.7	1.2	1.9	2.4	2.8	1.8	2.9
	Bottom 10 Average	0.2	0.3	0.6	0.8	1.1	0.6	1.7
9. Treasury Note Yield, 5-Yr	<b>CONSENSUS</b>	0.8	1.2	1.6	2.0	2.3	1.5	2.5
	Top 10 Average	1.1	1.6	2.3	2.8	3.1	2.1	3.1
	Bottom 10 Average	0.5	0.7	1.0	1.2	1.4	1.0	1.9
10. Treasury Note Yield, 10-Yr	<b>CONSENSUS</b>	1.3	1.7	2.0	2.4	2.6	2.0	2.8
	Top 10 Average	1.7	2.2	2.7	3.1	3.4	2.6	3.5
	Bottom 10 Average	0.9	1.2	1.4	1.7	1.8	1.4	2.2
11. Treasury Bond Yield, 30-Yr	<b>CONSENSUS</b>	2.1	2.4	2.8	3.1	3.4	2.8	3.6
	Top 10 Average	2.5	3.0	3.5	4.0	4.2	3.4	4.3
	Bottom 10 Average	1.6	1.9	2.2	2.4	2.6	2.1	2.9
12. Corporate Aaa Bond Yield	<b>CONSENSUS</b>	2.8	3.2	3.6	4.0	4.2	3.6	4.5
	Top 10 Average	3.1	3.6	4.2	4.6	4.9	4.1	5.0
	Bottom 10 Average	2.4	2.8	3.0	3.3	3.6	3.0	3.9
13. Corporate Baa Bond Yield	<b>CONSENSUS</b>	3.9	4.3	4.7	5.0	5.2	4.6	5.4
	Top 10 Average	4.3	4.7	5.2	5.6	5.9	5.1	6.0
	Bottom 10 Average	3.5	3.9	4.1	4.3	4.5	4.1	4.9
14. State & Local Bonds Yield	<b>CONSENSUS</b>	2.8	3.1	3.4	3.6	3.8	3.3	3.9
	Top 10 Average	3.1	3.5	3.8	4.1	4.3	3.8	4.3
	Bottom 10 Average	2.5	2.8	2.9	3.2	3.4	2.9	3.6
15. Home Mortgage Rate	<b>CONSENSUS</b>	3.2	3.5	3.9	4.2	4.5	3.9	4.7
	Top 10 Average	3.5	3.9	4.4	4.9	5.2	4.4	5.2
	Bottom 10 Average	2.9	3.2	3.4	3.6	3.8	3.4	4.2
A. Fed's AFE Nominal \$ Index	<b>CONSENSUS</b>	107.2	107.0	106.5	106.4	106.6	106.7	106.7
	Top 10 Average	109.0	108.9	108.8	108.9	109.5	109.0	110.2
	Bottom 10 Average	105.4	105.2	104.4	103.8	103.7	104.5	103.0
		Year-Over-Year, % Change					Five-Year Averages	
		2022	2023	2024	2025	2026	2022-2026	2027-2031
B. Real GDP	<b>CONSENSUS</b>	3.2	2.5	2.3	2.2	2.1	2.4	2.1
	Top 10 Average	3.8	3.0	2.6	2.5	2.4	2.9	2.4
	Bottom 10 Average	2.6	2.1	1.9	1.9	1.8	2.1	1.8
C. GDP Chained Price Index	<b>CONSENSUS</b>	1.9	2.0	2.1	2.1	2.1	2.0	2.1
	Top 10 Average	2.2	2.3	2.3	2.3	2.3	2.3	2.3
	Bottom 10 Average	1.7	1.8	1.9	1.9	1.9	1.8	1.9
D. Consumer Price Index	<b>CONSENSUS</b>	2.1	2.2	2.2	2.1	2.2	2.1	2.2
	Top 10 Average	2.4	2.4	2.4	2.4	2.4	2.4	2.4
	Bottom 10 Average	1.8	1.9	1.9	1.9	1.9	1.9	1.9
E. PCE Price Index	<b>CONSENSUS</b>	1.9	2.0	2.1	2.1	2.1	2.0	2.1
	Top 10 Average	2.2	2.2	2.2	2.2	2.3	2.2	2.4
	Bottom 10 Average	1.7	1.8	1.9	1.9	1.9	1.8	1.9

Utilities, Inc. of Louisiana  
Indicated Common Equity Cost Rate Through Use  
of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)

Proxy Group of Eight Water Companies	[1] Value Line Adjusted Beta	[2] Bloomberg Adjusted Beta	[3] Average Beta	[4] Market Risk Premium (1)	[5] Risk-Free Rate (2)	[6] Traditional CAPM Cost Rate	[7] ECAPM Cost Rate	[8] Indicated Common Equity Cost Rate (3)
American States Water Company	0.65	0.60	0.62	9.22 %	2.73 %	8.45 %	9.32 %	8.88 %
American Water Works Company, Inc.	0.85	1.03	0.94	9.22	2.73	11.40	11.54	11.47
Artesian Resources Corporation	0.75	0.67	0.71	9.22	2.73	9.28	9.94	9.61
California Water Service Group	0.65	0.63	0.64	9.22	2.73	8.63	9.46	9.05
Global Water Resources, Inc.	0.75	0.88	0.81	9.22	2.73	10.20	10.64	10.42
Middlesex Water Company	0.70	0.79	0.74	9.22	2.73	9.55	10.15	9.85
SJW Group	0.85	0.95	0.90	9.22	2.73	11.03	11.26	11.14
The York Water Company	0.80	0.94	0.87	9.22	2.73	10.75	11.05	10.90
Mean			<u>0.78</u>			<u>9.91 %</u>	<u>10.42 %</u>	<u>10.17 %</u>
Median			<u>0.78</u>			<u>9.88 %</u>	<u>10.39 %</u>	<u>10.14 %</u>
Average of Mean and Median			<u>0.78</u>			<u>9.90</u>	<u>10.41</u>	<u>10.16 %</u>

Notes on page 2 of this Schedule.

Utilities, Inc. of Louisiana  
Notes to Accompany the Application of the CAPM and ECAPM

Notes:

- (1) The market risk premium (MRP) is derived by using six different measures from three sources: Ibbotson, Value Line, and Bloomberg as illustrated below:

Historical Data MRP Estimates:

Measure 1: Ibbotson Arithmetic Mean MRP (1926-2020)

Arithmetic Mean Monthly Returns for Large Stocks 1926-2020:	12.20 %
Arithmetic Mean Income Returns on Long-Term Government Bonds:	5.05
MRP based on Ibbotson Historical Data:	7.15 %

Measure 2: Application of a Regression Analysis to Ibbotson Historical Data (1926-2020)

9.54 %

Measure 3: Application of the PRPM to Ibbotson Historical Data: (January 1926 - March 2021)

10.46 %

Value Line MRP Estimates:

Measure 4: Value Line Projected MRP (Thirteen weeks ending April 16, 2021)

Total projected return on the market 3-5 years hence*:	8.24 %
Projected Risk-Free Rate (see note 2):	2.73
MRP based on Value Line Summary & Index:	5.51 %

\*Forecasted 3-5 year capital appreciation plus expected dividend yield

Measure 5: Value Line Projected Return on the Market based on the S&P 500

Total return on the Market based on the S&P 500:	14.10 %
Projected Risk-Free Rate (see note 2):	2.73
MRP based on Value Line data	11.37 %

Measure 6: Bloomberg Projected MRP

Total return on the Market based on the S&P 500:	14.01 %
Projected Risk-Free Rate (see note 2):	2.73
MRP based on Bloomberg data	11.28 %

Average of Value Line, Ibbotson, and Bloomberg MRP: 9.22 %

- (2) For reasons explained in the direct testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 10-11 of Schedule DWD-4.) The projection of the risk-free rate is illustrated below:

Second Quarter 2021	2.40 %
Third Quarter 2021	2.50
Fourth Quarter 2021	2.50
First Quarter 2022	2.60
Second Quarter 2022	2.70
Third Quarter 2022	2.70
2022-2026	2.80
2027-2031	3.60
	2.73 %

- (3) Average of Column 6 and Column 7.

Sources of Information:

Value Line Summary and Index  
Blue Chip Financial Forecasts, April 1, 2021 and December 1, 2020  
Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc.  
Bloomberg Professional Services

Utilities, Inc. of Louisiana  
Basis of Selection of the Group of Non-Price Regulated Companies  
Comparable in Total Risk to the Utility Proxy Group

The criteria for selection of the Non-Price Regulated Proxy Group was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The Non-Price Regulated Proxy Group companies were then selected based on the unadjusted beta range of 0.43 – 0.75 and residual standard error of the regression range of 3.0062 – 3.5854 of the Utility Proxy Group.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus two standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the Water Utility Proxy Group's residual standard error of the regression is 0.1448. The standard deviation of the standard error of the regression is calculated as follows:

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1448 = \frac{3.2958}{\sqrt{518}} = \frac{3.2958}{22.7596}$$

Source of Information: Value Line, Inc., March 2021  
Value Line Investment Survey (Standard Edition)

Utilities, Inc. of Louisiana  
Basis of Selection of Comparable Risk  
Domestic Non-Price Regulated Companies

	[1]	[2]	[3]	[4]
<u>Proxy Group of Eight Water Companies</u>	<u>Value Line Adjusted Beta</u>	<u>Unadjusted Beta</u>	<u>Residual Standard Error of the Regression</u>	<u>Standard Deviation of Beta</u>
American States Water Company	0.65	0.41	2.5967	0.0648
American Water Works Company, Inc.	0.85	0.75	3.1587	0.0788
Artesian Resources Corporation	0.75	0.57	3.3189	0.0828
California Water Service Group	0.65	0.45	3.1469	0.0785
Global Water Resources, Inc.	0.75	0.58	3.4912	0.0882
Middlesex Water Company	0.70	0.54	3.4491	0.0861
SJW Group	0.85	0.70	3.5640	0.0889
The York Water Company	0.80	0.69	3.6408	0.0908
Average	<u>0.75</u>	<u>0.59</u>	<u>3.2958</u>	<u>0.0824</u>
Beta Range (+/- 2 std. Devs. of Beta) 2 std. Devs. of Beta	0.43 0.16	0.75		
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	3.0062	3.5854		
Std. dev. of the Res. Std. Err.	0.1448			
2 std. devs. of the Res. Std. Err.	0.2896			

Source of Information: Value Line Proprietary Database, March 2021

Utilities, Inc. of Louisiana  
Proxy Group of Non-Price Regulated Companies  
Comparable in Total Risk to the  
Proxy Group of Eight Water Companies

	[1]	[2]	[3]	[4]
<u>Proxy Group of Twenty Non-Price Regulated Companies</u>	<u>VL Adjusted Beta</u>	<u>Unadjusted Beta</u>	<u>Residual Standard Error of the Regression</u>	<u>Standard Deviation of Beta</u>
Adobe, Inc.	0.75	0.61	3.2593	0.0813
Balchem Corporation	0.70	0.54	3.5216	0.0879
Bio-Rad Labs	0.75	0.58	3.2201	0.0804
CSG Systems Int'l	0.75	0.60	3.1995	0.0798
Citrix Sys.	0.70	0.47	3.4840	0.0869
Dollar General Corporation	0.65	0.46	3.1921	0.0797
Ennis, Inc.	0.80	0.66	3.3410	0.0834
Heartland Express	0.70	0.54	3.0069	0.0750
Intel Corp.	0.80	0.67	3.5783	0.0893
Keysight Technologies	0.85	0.73	3.5026	0.0874
Lancaster Colony Corp.	0.70	0.50	3.0103	0.0751
Lilly (Eli)	0.75	0.59	3.0669	0.0765
Smucker (J.M.)	0.65	0.45	3.0463	0.0760
Schneider National, Inc.	0.80	0.65	3.4534	0.0894
Bio-Techne Corp.	0.80	0.67	3.2475	0.0810
Tyler Technologies	0.75	0.56	3.2350	0.0807
United Parcel Serv.	0.80	0.63	3.0112	0.0751
Walgreens Boots Alliance	0.85	0.71	3.4851	0.0870
Werner Enterprises	0.75	0.58	3.3887	0.0846
West Pharmaceutical Services Inc	0.85	0.70	3.1887	0.0796
Average	<u>0.76</u>	<u>0.60</u>	<u>3.2719</u>	<u>0.0818</u>
Proxy Group of Eight Water Companies	<u>0.75</u>	<u>0.59</u>	<u>3.2958</u>	<u>0.0824</u>

Source of Information:

Value Line Proprietary Database, March 2021

Utilities, Inc. of Louisiana  
 Summary of Cost of Equity Models Applied to  
 Proxy Group of Twenty Non-Price Regulated Companies  
 Comparable in Total Risk to the  
Proxy Group of Eight Water Companies

Principal Methods	Proxy Group of Twenty Non- Price Regulated Companies
Discounted Cash Flow Model (DCF) (1)	11.75 %
Risk Premium Model (RPM) (2)	10.67
Capital Asset Pricing Model (CAPM) (3)	10.02
	Mean <u>10.81 %</u>
	Median <u>10.67 %</u>
	Average of Mean and Median <u>10.74 %</u>

Notes:

- (1) From page 2 of this Schedule.
- (2) From page 3 of this Schedule.
- (3) From page 6 of this Schedule.

Utilities, Inc. of Louisiana  
 DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the  
Proxy Group of Eight Water Companies

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
Proxy Group of Twenty Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Bloomberg Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
	%	%	%	%	%	%	%	%
Adobe, Inc.	-	14.00	18.30	17.50	17.17	16.74	-	NA
Balchem Corporation	0.48	13.50	NA	24.00	7.93	15.14	0.52	15.66
Bio-Rad Labs	-	11.50	NA	17.80	28.75	19.35	-	NA
CSG Systems Int'l	2.15	10.00	NA	NMF	NA	10.00	2.26	12.26
Citrix Sys.	1.09	9.00	13.00	11.85	9.60	10.86	1.15	12.01
Dollar General Corporation	0.85	13.00	10.80	13.57	10.57	11.99	0.90	12.89
Ennis, Inc.	4.44	3.00	NA	5.00	NA	4.00	4.53	8.53
Heartland Express	0.42	10.00	NA	12.50	NA	11.25	0.44	11.69
Intel Corp.	2.25	7.00	7.50	5.43	5.48	6.35	2.32	8.67
Keysight Technologies	-	17.00	10.40	12.41	10.41	12.56	-	NA
Lancaster Colony Corp.	1.67	6.50	NA	3.00	NA	4.75	1.71	6.46
Lilly (Eli)	1.73	9.00	12.20	11.60	NA	10.93	1.82	12.75
Smucker (J.M.)	2.98	4.00	1.60	NMF	1.65	2.42	3.02	5.44
Schneider National, Inc.	1.17	2.50	14.00	15.02	14.48	11.50	1.24	12.74
Bio-Techne Corp.	0.34	12.50	15.00	15.00	19.03	15.38	0.37	15.75
Tyler Technologies	-	10.50	NA	10.00	20.15	13.55	-	NA
United Parcel Serv.	2.48	8.00	8.70	10.06	8.04	8.70	2.59	11.29
Walgreens Boots Alliance	3.66	6.00	6.80	3.63	4.74	5.29	3.76	9.05
Werner Enterprises	0.89	9.50	10.00	11.49	9.52	10.13	0.94	11.07
West Pharmaceutical Services Inc	0.24	17.00	22.60	22.60	17.21	19.85	0.26	20.11
							Mean	11.65
							Median	11.85
							Average of Mean and Median	11.75

NA= Not Available  
 NMF= Not Meaningful Figure

(1) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the utility proxy group. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of April 16, 2021. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, Bloomberg, www.zacks.com, and www.yahoo.com (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

Source of Information:  
 Value Line Investment Survey  
 www.zacks.com Downloaded on 04/16/2021  
 www.yahoo.com Downloaded on 04/16/2021  
 Bloomberg Professional Services

Utilities, Inc. of Louisiana  
Indicated Common Equity Cost Rate  
Through Use of a Risk Premium Model  
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Twenty Non-Price Regulated Companies</u>
1.	Prospective Yield on Baa2 Rated Corporate Bonds (1)	4.36 %
2.	Adjustment to Reflect Proxy Group Bond Rating (2)	<u>(0.13)</u>
3.	Prospective Bond Yield Applicable to the Non-Price Regulated Proxy Group	4.23
4.	Equity Risk Premium (3)	<u>6.35</u>
5.	Risk Premium Derived Common Equity Cost Rate	<u><u>10.58 %</u></u>

Notes: (1) Average forecast of Baa2 corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated April 1, 2021 and December 1, 2020 (see pages 10 and 11 of Schedule DWD-4). The estimates are detailed below.

Second Quarter 2021	3.90 %
Third Quarter 2021	4.00
Fourth Quarter 2021	4.10
First Quarter 2022	4.20
Second Quarter 2022	4.30
Third Quarter 2022	4.40
2022-2026	4.60
2027-2031	<u>5.40</u>

Average 4.36 %

(2) To reflect the Baa1 average rating of the Non-Price Regulated Proxy Group, the prospective yield on Baa2 corporate bonds must be adjusted downward by 1/3 of the spread between A2 and Baa2 corporate bond yields as shown below:

	A2 Corp. Bond Yield		Baa2 Corp. Bond Yield		Spread
Mar-2021	3.37 %	%	3.74 %	%	0.37 %
Feb-2021	3.03		3.42		0.39
Jan-2021	2.84		3.24		<u>0.40</u>
	Average yield spread				<u><u>0.39 %</u></u>

1/3 of spread 0.13 %

(3) From page 5 of this Schedule.

Utilities, Inc. of Louisiana  
Comparison of Long-Term Issuer Ratings for the  
Proxy Group of Twenty Non-Price Regulated Companies of Comparable risk to the  
Proxy Group of Eight Water Companies

<u>Proxy Group of Twenty Non-Price Regulated Companies</u>	<u>Moody's</u> Long-Term Issuer Rating April 2021		<u>Standard &amp; Poor's</u> Long-Term Issuer Rating April 2021	
	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting (1)</u>	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting (1)</u>
Adobe, Inc.	A2	6.0	A	6.0
Balchem Corporation	NA	--	NA	--
Bio-Rad Labs	Baa2	9.0	BBB	9.0
CSG Systems Int'l	NA	--	BB+	11.0
Citrix Sys.	Baa3	10.0	BBB	9.0
Dollar General Corporation	Baa2	9.0	BBB	9.0
Ennis, Inc.	NA	--	NA	--
Heartland Express	NA	--	NA	--
Intel Corp.	A1	5.0	A+	5.0
Keysight Technologies	Baa2	9.0	BBB	9.0
Lancaster Colony Corp.	NA	--	NA	--
Lilly (Eli)	A2	6.0	A+	5.0
Smucker (J.M.)	Baa2	9.0	BBB	9.0
Schneider National, Inc.	NA	--	NA	--
Bio-Techne Corp.	NA	--	NA	--
Tyler Technologies	NA	--	NA	--
United Parcel Serv.	A2	6.0	A-	7.0
Walgreens Boots Alliance	Baa2	9.0	BBB	9.0
Werner Enterprises	NA	--	NA	--
West Pharmaceutical Services Inc	NA	--	NA	--
Average	<u>Baa1</u>	<u>7.8</u>	<u>BBB+</u>	<u>8.0</u>

Notes:  
(1) From page 6 of Schedule DWD-4.

Source of Information:  
Bloomberg Professional Services

Utilities, Inc. of Louisiana  
Derivation of Equity Risk Premium Based on the Total Market Approach  
Using the Beta for  
Proxy Group of Twenty Non-Price Regulated Companies of Comparable risk to the  
Proxy Group of Eight Water Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Twenty Non-Price Regulated Companies</u>
<u>Ibbotson-Based Equity Risk Premiums:</u>		
1.	Ibbotson Equity Risk Premium (1)	5.92 %
2.	Regression on Ibbotson Risk Premium Data (2)	8.83
3.	Ibbotson Equity Risk Premium based on PRPM (3)	9.40
4.	Equity Risk Premium Based on <u>Value Line</u> Summary and Index (4)	4.80
5.	Equity Risk Premium Based on <u>Value Line</u> S&P 500 Companies (5)	10.66
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	<u>10.57</u>
7.	Conclusion of Equity Risk Premium	8.36 %
8.	Adjusted Beta (7)	<u>0.77</u>
9.	Forecasted Equity Risk Premium	<u><u>6.44 %</u></u>

Notes:

- (1) From note 1 of page 9 of Schedule DWD-4.
- (2) From note 2 of page 9 of Schedule DWD-4.
- (3) From note 3 of page 9 of Schedule DWD-4.
- (4) From note 4 of page 9 of Schedule DWD-4.
- (5) From note 5 of page 9 of Schedule DWD-4.
- (6) From note 6 of page 9 of Schedule DWD-4.
- (7) Average of mean and median beta from page 6 of this Schedule.

Sources of Information:

Stocks, Bonds, Bills, and Inflation - 2020 SBBI Yearbook, John Wiley & Sons, Inc.  
Value Line Summary and Index  
Blue Chip Financial Forecasts, April 1, 2021 and December 1, 2020  
Bloomberg Professional Services

Utilities, Inc. of Louisiana  
 Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the  
 Proxy Group of Eight Water Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Twenty Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
Adobe, Inc.	0.75	0.87	0.81	9.22 %	2.73 %	10.20 %	10.64 %	10.42 %
Balchem Corporation	0.70	0.73	0.71	9.22	2.73	9.28	9.94	9.61
Bio-Rad Labs	0.75	0.70	0.72	9.22	2.73	9.37	10.01	9.69
CSG Systems Int'l	0.75	0.91	0.83	9.22	2.73	10.38	10.77	10.58
Citrix Sys.	0.70	0.61	0.66	9.22	2.73	8.82	9.60	9.21
Dollar General Corporation	0.70	0.67	0.69	9.22	2.73	9.09	9.81	9.45
Ennis, Inc.	0.80	0.82	0.81	9.22	2.73	10.20	10.64	10.42
Heartland Express	0.70	0.76	0.73	9.22	2.73	9.46	10.08	9.77
Intel Corp.	0.80	0.97	0.89	9.22	2.73	10.94	11.19	11.06
Keysight Technologies	0.85	0.79	0.82	9.22	2.73	10.29	10.71	10.50
Lancaster Colony Corp.	0.70	0.71	0.71	9.22	2.73	9.28	9.94	9.61
Lilly (Eli)	0.75	0.72	0.74	9.22	2.73	9.55	10.15	9.85
Smucker (J.M.)	0.65	0.51	0.58	9.22	2.73	8.08	9.05	8.56
Schneider National, Inc.	0.80	0.72	0.76	9.22	2.73	9.74	10.29	10.01
Bio-Techne Corp.	0.80	0.92	0.86	9.22	2.73	10.66	10.98	10.82
Tyler Technologies	0.75	0.75	0.75	9.22	2.73	9.65	10.22	9.93
United Parcel Serv.	0.80	0.85	0.83	9.22	2.73	10.38	10.77	10.58
Walgreens Boots Alliance	0.75	0.80	0.78	9.22	2.73	9.92	10.43	10.18
Werner Enterprises	0.75	0.78	0.76	9.22	2.73	9.74	10.29	10.01
West Pharmaceutical Services Inc	0.85	0.76	0.80	9.22	2.73	10.11	10.57	10.34
Mean			<u>0.76</u>			<u>9.76 %</u>	<u>10.30 %</u>	<u>10.03 %</u>
Median			<u>0.76</u>			<u>9.74 %</u>	<u>10.29 %</u>	<u>10.01 %</u>
Average of Mean and Median			<u>0.76</u>			<u>9.75 %</u>	<u>10.30 %</u>	<u>10.02 %</u>

Notes:

- (1) From Schedule DWD-5, note 1.
- (2) From Schedule DWD-5, note 2.
- (3) Average of CAPM and ECAPM cost rates.

Utilities, Inc. of Louisiana  
 Derivation of Investment Risk Adjustment Based upon  
 Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ

..... No.	[1]	[2]	[3]	[4]
	Market Capitalization on April 16, 2021 (1) ( millions )	Applicable Decile of the NYSE/AMEX/ NASDAQ (2)	Applicable Size Premium (3)	Spread from Applicable Size Premium (4)
1.	Utilities, Inc. of Louisiana \$ 96.104	10	5.01%	
2.	Proxy Group of Eight Water Companies \$ 1,692.873	6	1.37%	3.64%

Decile	Market Capitalization of Smallest Company ( millions )	Market Capitalization of Largest Company ( millions )	Size Premium (Return in Excess of CAPM)*
	1	\$ 29,025.803	\$ 1,966,078.882
2	13,178.743	28,808.073	0.49%
3	6,743.361	13,177.828	0.71%
4	3,861.858	6,710.676	0.75%
5	2,445.693	3,836.536	1.09%
6	1,591.865	2,444.745	1.37%
7	911.586	1,591.765	1.54%
8	451.955	911.103	1.46%
9	190.019	451.800	2.29%
10	2.194	189.831	5.01%

\*From Duff & Phelps Cost of Capital Navigator,  
 CRSP Size Premia as of 12/31/2020

Notes:

- (1) From page 2 of this Schedule.
- (2) Gleaned from Columns [B] and [C] on the bottom of this page. The appropriate decile (Column [A]) corresponds to the market capitalization of the proxy group, which is found in Column [1].
- (3) Corresponding risk premium to the decile is provided in Column [D] on the bottom of this page.
- (4) Line No. 1 Column [3] – Line No. 2 Column [3]. For example, the 3.64% in Column [4], Line No. 2 is derived as follows 3.64% = 5.01% - 1.37%.

Utilities, Inc. of Louisiana  
 Market Capitalization of Utilities, Inc. of Louisiana and the  
 Proxy Group of Eight Water Companies

	[1]	[2]	[3]	[4]	[5]	[6]
Company	Common Stock Shares Outstanding at Fiscal Year End 2020 (millions)	Book Value per Share at Fiscal Year End 2020 (1)	Total Common Equity at Fiscal Year End 2020 (millions)	Closing Stock Market Price on April 16, 2021	Market-to-Book Ratio on April 16, 2021 (2)	Market Capitalization on April 16, 2021 (3) (millions)
Utilities, Inc. of Louisiana	NA	NA	22,964 (4)	NA		
Based upon Proxy Group of Eight Water Companies					418.5 (5)	\$ 96,104 (6)
<u>Proxy Group of Eight Water Companies</u>						
American States Water Company	36,889	\$ 17,395	\$ 641,673	\$ 80,710	464.0 %	\$ 2,977,320
American Water Works Company, Inc.	181,298	35,599	6,454,000	160,120	449.8	29,029,515
Artesian Resources Corporation	9,357	18,107	169,426	41,440	228.9	387,754
California Water Service Group	50,334	18,305	921,344	60,310	329.5	3,035,623
Global Water Resources, Inc.	22,588	1,425	32,188	17,630	NMF	398,222
Middlesex Water Company	17,473	19,814	346,208	82,930	418.5	1,449,036
SJW Group	28,557	32,117	917,160	67,820	211.2	1,936,709
The York Water Company	13,061	10,968	143,252	51,970	473.8	678,771
Median	25,572	\$ 18,206	\$ 493,941	\$ 64,065	418.5 %	\$ 1,692,873

NA= Not Available

Notes: (1) Column 3 / Column 1.

(2) Column 4 / Column 2.

(3) Column 1 \* Column 4.

(4) Combined book common equity from Company 2020 annual report filed with the Commission.

(5) The market-to-book ratio of Utilities, Inc. of Louisiana on April 16, 2021 is assumed to be equal to the market-to-book ratio of Proxy Group of Eight Water Companies on April 16, 2021 as appropriate.

(6) Column [3] multiplied by Column [5].