



# NEWS

93 West Main Street, Clinton, CT 06413

## **PURA Approves Rate Settlement Agreement for Connecticut Water**

*Agreement Ensures Customers Will Continue to Receive Safe, Clean Drinking Water for Less Than One Penny per Gallon*

**CLINTON, Conn. – Aug. 20, 2018** – On Aug. 15, 2018, the Connecticut Water Company (“the Company”) received unanimous approval from the Connecticut Public Utilities Regulatory Authority (PURA) on a Settlement Agreement that was developed between the Company and the state’s consumer advocate at the Office of the Consumer Counsel (OCC).

“Understanding the current economic climate and the impacts it has had on our customers and Connecticut’s municipalities, we are working hard to hold down any cost increases,” stated David C. Benoit, president and chief executive officer of Connecticut Water Service, Inc.

“We sought recovery of only a limited portion of the investments made in our water supplies, treatment, tanks, equipment and other improvements in the systems across the company since the last general rate case in 2010. This agreement allows us to continue to serve customers and communities with high-quality water and service while maintaining the financial strength to invest in our systems,” continued Benoit.

Richard Sobolewski, Supervisor of Technical Analysis of the OCC, said, “The Office of Consumer Counsel was pleased to reach this settlement agreement with the Company that includes a balance of trade-offs and compromises that reduces the impacts on customers’ rates and stabilizes those rates until at least January 2020 while allowing Connecticut Water to continue to invest in its water system to maintain the service level for customers.”

With this approval, customers will still receive safe, clean drinking water for less than one penny per gallon. Water bills under the new rates will increase by approximately 8 cents per day, or \$2.37 per month, for a residential customer using the average 15,000 gallons of water per quarter. To minimize the impact on municipal budgets, there will be no change in the rates charged for public fire service. Other key provisions of the Settlement Agreement include:

- The current approved Water Infrastructure and Conservation Adjustment (WICA) charge will be reset to zero. The separate WICA charge for eligible PURA-approved infrastructure projects now on customers’ bills will be removed, and that same amount rolled into base rates.
- The Company will not increase base rates further before January 2020, at the earliest.
- The Company may still seek approval for new WICA charges and will modify the Water Revenue Adjustment (WRA) charge, as approved by PURA before a general rate case.

The Settlement Agreement pertains only to customers of the Connecticut Water Company. Heritage Village Water Company and Avon Water Company customers will not see their rates change as a result of this agreement.

The Company noted that customers of all its companies (Connecticut Water, Avon Water and Heritage Village) will soon see a new DPH Safe Drinking Water Fee added to their water bills for a state assessment to support the Connecticut Department of Public Health (DPH). The new DPH fee being assessed to all the state's public water systems is a pass-through charge paid to the state of Connecticut, intended to help the DPH maintain its Safe Drinking Water Program and meet its obligations under the Federal Safe Drinking Water Act.

### **About Connecticut Water**

Connecticut Water Company is a regulated public water utility serving more than 93,000 customers in 56 Connecticut communities, and it is the largest operating subsidiary of the Connecticut Water Service, Inc. (Nasdaq: CTWS). Through its regulated utility subsidiaries, CTWS serves more than 134,000 water customers, or about 450,000 people in 80 communities across Connecticut and Maine, and more than 3,000 wastewater customers in Southbury, Connecticut.

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This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "projects," "strategy," or "anticipates," or the negative of those words or other comparable terminology.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the risks associated with the proposed merger between the Company and SJW Group; (2) the effect of water, utility, environmental and other governmental policies and regulations; (3) litigation relating to the proposed merger; (4) changes in demand for water and other products and services of the Company; (5) unanticipated weather conditions; (6) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, terrorist acts, physical attacks, cyber attacks, or other similar occurrences that could adversely affect the Company's facilities, operations, financial condition, results of operations, and reputation; (7) risks that the proposed merger disrupts the current plans and operations of the Company; (8) potential difficulties in employee retention as a result of the proposed merger; (9) unexpected costs, charges or expenses resulting from the proposed merger; (10) the effect of the announcement or pendency of the proposed merger on the Company's business relationships, operating results, and business generally, including, without limitation, competitive responses to the proposed merger; (11) risks related to diverting management's attention from ongoing business operations of the Company; (12) the trading price of the Company's common stock; and (13) legislative and economic developments.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to the Company's overall business and financial condition, including those more fully described in the Company's filings with the U.S. Securities and Exchange Commission, including, without limitation, its annual report on Form 10-K for the fiscal year ended December 31, 2017 and its quarterly report on Form 10-Q for the period ended June 30, 2018. Forward-looking statements are not guarantees of performance, and speak only as of the date made, and neither the Company nor its management undertakes any obligation to update or revise any forward-looking statements except as required by law.

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