Title-Industry Code & Co. Finances (In Italics) / Individual Issue Statistics	GICS Sub Ind / Interest Dates	Fixed Charge Coverage 2014 / S&P Rating	2015 / Date of Last Rating Change	2016 / Prior Rating	Year End / Eligible / Bond Form	Million $ Cash & Equiv. / Redemption Provisions Regular Price	Curr. Assets / (Begins) Thru	Curr. Liab.	Balance Sheet Date	L. Term Debt (Mil $)	Capital-ization (Mil $)	Total Debt % Capital / Outst'g (Mil $)	Price Range 2017 High	Low	Mo. End Price Sale(s) or Bid	Curr. Yield	Yield to Mat.
Amer Intl Group (Cont.)																	
Jr Sub Deb Ser A-1 Partially Tendered And Partial 6¼s 2087	[1]ms15	BBB–	1/17	BBB	X BE	[2]Z100	(3-15-37)					1000	110.00	100.50	109.00	5.73	5.78
Mtn 5.85s 2018	[3]jj16	BBB+	1/17	A–	X BE							2500	104.25	100.12	100.11	5.84	
Sr Nt Fxd Rt 4⅛s 2024	Fa15	BBB+			X BE							1000	107.29	101.88	105.15	3.92	3.17
Fixed Rate 4⅜s 2055	[4]jj15	BBB+			X BE							800.0	102.39	87.30	99.97	4.38	4.37
Fxd Rt Nt 3.90s 2026	[5]ao	BBB+			X BE							1500	104.77	98.81	103.52	3.77	3.39
[6]*Amer President Cos Ltd*	20301010				Dc	No Recent Fin'ls											
Sr Deb 8s 2024	[7]jj15	NR	11/97	BBB–	X BE	NC						150.0	97.75	64.62	97.87	8.17	8.47
Amer United Life	40301020				Dc												
Surplus Nt 144a 7¾s 2026	[8]ms30	A	3/00	A+	X BE	Not Regis w/SEC. Sold to Instit Inv.						75.00			105.31	7.36	7.00
AmerenEnergy Generating	55105010				Dc	9.00	1581.00	2581.00	9-30-17	6922.00	12808	49.1					
Sr Secd Nt 5.30s 2037	[9]fa	A	12/13	A–	X BE	[2]Z100						300.0	122.48	114.96	120.99	4.38	3.78
Sr Nt Ser F 7.95s 2032	Jd	NR	1/17	D	X BE	[10]Z100						275.0	37.00	35.00	36.00	22.08	26.87
Sr Secd Nts 5.10s 2019	[11]ao	A	12/13	A–	X BE	[2]Z100						300.0	108.00	104.50	104.51	4.88	2.76
America Movil	50102010	NA	NA	NA	Dc	4430.20	17876.4	22284.1	9-30-17	32693.00							
Sr Nt 144a 5s 2019	[12]ao16	A–	3/10	BBB+	Q BE							649.0			105.78		
Gtd Sr Nt 5s 2020	[13]ms30	A–			X BE							2125	107.88	105.25	105.50	4.74	2.16
Gtd Sr Nt 6⅛s 2040	[14]ms30	A–			Q BE							2000	127.32	111.15	125.73	4.87	4.29
American Gen'l[15]Finance[16]	40202010				Dc												
Mtn 6.90s 2017	[17]jd15	NR	12/17	B	X BE							3000			91.37	7.55	8.59
American Re Corp[18]	40301030				Dc	No Recent Fin'ls											
Sr Nt Ser B 7.45s 2026	[19]jd15	A–	12/06	BBB+	X BE	[2]Z100						500.0	130.73	123.58	126.90	5.87	3.85
American Stores	30101030	Merged into Albertson's Inc,see															
Deb 8s 2026	[20]jd	NR	10/15	B	X BE	NC						350.0			138.00	5.80	3.95
MTN 7.10s 2028	[21]ms20	NR	10/15	B	X BE	[2]Z100						100.0			134.50	5.28	3.85
American Tower Corp	60101080	NA	NA	NA	Dc	799.47	1962.54	2260.24	9-30-17	18581.38							
Fxd Rt Sr Nt 4.40s 2026	[22]fa15	NR			X BE							500.0	107.07	101.32	104.70	4.20	3.71
Fxd Rt Sr Nt 3⅜s 2026	ao15	NR			X BE							1000	99.78	93.49	97.64	3.46	3.71
Fixed Rt Sr Nt 4½s 2018	[23]jj15	NR	9/17	BBB–	X BE							1000	102.63	101.23	101.23	4.45	
Sr Nt 5.90s 2021	[24]mn	BBB–	8/13	BB+	X BE							500.0	113.83	110.49	110.45	5.34	3.07
Sr Nt 4.70s 2022	[25]ms15	BBB–	8/13	BB+	X BE							700.0	109.58	105.74	106.88	4.40	2.85
Sr Nt 4s 2025	[26]jd	NR			X BE							750.0	105.08	99.11	103.04	3.88	3.50
Fxd Rt Sr Nt 2¼s 2022	jj15	NR			X BE							600.0	99.37	94.78	97.26	2.31	2.99
Fxd Rt Sr Nt 3.45s 2021	[27]ms15	BBB–			X BE							650.0	104.26	100.82	102.07	3.38	2.89
Sr Fixed Rt Nt 5.05s 2020	[28]ms	BBB–	8/13	BB+	X BE							700.0	108.42	106.00	106.05	4.76	2.91
Fxd Rt Sr Nt 3.30s 2021	[29]fa15	NR			X BE							750.0	103.30	100.63	101.83	3.24	2.66
Sr Nt 3½s 2023	[30]jj31	BBB–	8/13	BB+	X BE							1000	104.34	99.05	102.08	3.43	3.05
Fxd Rt Sr 3.40s 2019	Fa15	BBB–	8/13	BB+	X BE							1000	102.48	101.11	101.09	3.36	2.28
Fxd Rt Sr 5s 2024	Fa15	BBB–	8/13	BB+	X BE							1000	111.56	106.59	109.31	4.57	3.27
American Water Capital	55104010				Dc												
Fxd Rt Sr Nt 3.40s 2025	Ms	A	5/16	A–	X BE							525.0	105.16	101.15	102.71	3.31	2.98

Uniform Footnote Explanations-See Page 1. Other: [1] Due 3-15-87 Int pd Mar & Sep 15 to 3-15-37,qtrly aft Jan 15 etc. [2] Red at greater of 100 or amt based on formula. [3] Due 01/16/2018. [4] Due 01/15/2055. [5] Due 04/01/2026. [6] Subsid&data of Neptune Orient Lines. [7] Due 01/15/2024. [8] Due 03/30/2026. [9] Due 08/01/2037. [10] Plus Make-Whole Amt. [11] Due 10/01/2019. [12] Due 10/18/2019. [13] Due 03/30/2020. [14] Due 03/30/2040. [15] Subsid of Amer Genl Corp. [16] Was Credithrift Fin'l Corp. [17] Due 12/15/2017. [18] Subsid of Munich Reinsurance. [19] Due 12/15/2026. [20] Due 06/01/2026. [21] Due 03/20/2028. [22] Due 02/15/2026. [23] Due 01/15/2018. [24] Due 11/01/2021. [25] Due 03/15/2022. [26] Due 06/01/2025. [27] Due 09/15/2021. [28] Due 09/01/2020. [29] Due 02/15/2021. [30] Due 01/31/2023.

Title-Industry Code & Co. Finances (In Italics) / Individual Issue Statistics	GICS Sub Ind / Interest Dates	Fixed Charge 2014 / S&P Rating	Date of Last Rating Change
American Water Capital (Cont.)			
Fxd Rt Sr Nt 4.30s 2042	jd	A	5/1
[2]*AmeriGas Ptnrs/Finance*	N/A		
Fxd Rt Sr Nt 5⅝s 2024	[3]mn20	NR	
Fxd Rt Sr Nt 5⅞s 2026	fA20	NR	
AmerisourceBergen Corp	35102010	NA	
Fxd Rt Sr Nt 3.40s 2024	[5]mn15	NR	
Fxd Rt Sr Nt 4¼s 2045	[6]ms	NR	
Sr Fixed Rt Nt 3¼s 2021	mn15	A–	
Sr Nt 3¼s 2025	[8]ms	NR	
Ameristar Casinos Inc	25301010		
Sr Nt 7½s 2021	Ao15	NR	7/
Ameritech Capital Funding	50101020	Mgr w/SBC	
Gtd Nt 6⅞s 2027	[9]ao15	BBB+	2/
Deb 5.95s 2038	[10]jj15	BBB+	2/
Deb 6.45s 2018	[11]jj15	BBB+	2/
Deb 6.55s 2028	[12]jj15	BBB+	2/
Ameriprise Financial	40203010	NA	
Fxd Rt Sr Nt 2⅞s 2026	[14]ms15	NR	
Fxd Rt Sr Nt 3.70s 2024	[15]ao15	A	
Sr Nt 4s 2023	[16]ao15	NR	
Sr Fixed Rt Nt 5.30s 2020	[17]ms15	A	
Jr Sub Nt Fixed To Float 7.518s 2066	[18]jd	NR	8
Amgen Inc	35201010	NA	
Sr Nt 6.15s 2018	[19]jd	A	8
Sr Nt 5.70s 2019	[20]fa	A	8
Sr Nt 6.40s 2039	[21]fa	A	
Fixed Rt Sr Nt 5⅜s 2040	[22]ms15	A	
Fixed Rt Sr Nts 3.45s 2020	[23]ao	A	
Fixed Rt Sr Nt 4.95s 2041	[24]ao	A	
Sr Nt 4.10s 2021	[25]jd15	A	
Sr Nt 5.65s 2042	[26]jd15	A	
Fixed Rt Nt 5.15s 2041	[27]mn15	A	
Fixed Rt Sr Nt 3⅛s 2021	[7]mn15	A	
Sr Nt 3⅝s 2022	[28]mn15	A	
Sr Nt 5⅜s 2043	[29]mn15	A	
Sr Fxd Rt Nt 2.20s 2019	[30]mn22	NR	
Fxd Rt Sr Nt 3⅝s 2024	[31]mn22	NR	
Fxd Rt Sr Nt 2⅛s 2020	[32]mn	A	
Fxd Rt Sr Nt 2.70s 2022	[33]mn	NR	

Uniform Footnote Explanations-See Page 1. Other: [1] Due 12 ... [8] Due 03/01/2025. [9] Due 10/15/2027. [10] Due 01/15/2038. [11] Due ... [18] Due 6-1-66 Int paid Jun & Dec 1 to 6-1-16,qtrly aft Sep 1,etc. [26] Due 06/15/2042. [27] Due 11/15/2041. [28] Due 05/15/2022. [29] D...

Water Industry Financial Comparables
1-1-2018

Mo. End Price Sale(s) or Bid	Curr. Yield	Yield to Mat.
.50 109.00	5.73	5.73
.12 100.11	5.84	
.88 105.15	9.92	3.17
.30 99.97	4.38	4.37
.81 103.82	3.77	3.39
.62 97.67	8.17	8.47
105.31	7.36	7.06
4.96 120.99	4.38	3.78
5.00 36.00	22.08	26.87
4.50 104.51	4.88	2.76
105.78		
5.25 105.50	4.74	2.16
1.15 125.73	4.87	4.29
91.37	7.55	8.59
3.58 126.90	5.87	3.85
138.00	5.80	3.95
134.50	5.28	3.85
1.32 104.70	4.20	3.71
3.49 97.54	3.46	3.71
1.23 101.29	4.45	
0.43 110.45	5.34	3.07
5.74 106.89	4.40	2.85
9.11 103.94	3.88	3.50
4.78 97.28	2.81	2.99
0.82 102.07	3.38	2.89
8.00 106.05	4.78	2.97
0.63 101.83	3.24	2.66
9.05 102.08	3.43	4.05
1.11 101.09	3.96	2.28
8.59 108.31	4.57	3.27
1.16 102.71	3.31	2.98

5/2018. 4 Due 01/15/2055.
3 Due 03/30/2020.
/20/2028.

Title-Industry Code & Co. Finances (In Italics) / Exchange ↓ Individual Issue Statistics	GICS Sub Ind / Interest Dates	Fixed Charge Coverage 2014 / S&P Rating	2015 / Date of Last Rating Change	2016 / Prior Rating	Eligible ↓	Year End / Bond Form	Million $ Cash & Equiv. / Redemption Provisions Regular Price	Curr. Assets / Regular (Begins) Thru	Curr. Liab. / Sinking Fund Price	Balance Sheet Date / Sinking Fund (Begins) Thru	L-Term Debt (Mil $) / Refund/Other Restriction Price	Capital-ization (Mil $) / Refund/Other Restriction (Begins) Thru	Total Debt % Capital / Outst'g (Mil $)	Price Range 2017 High	Low	Mo. End Price Sale(s) or Bid	Curr. Yield	Yield to Mat.
American Water Capital (Cont.)																		
Fxd Rt Sr Nt 4.30s 2042	[1]jd	A	5/15	A-	X	BE							500.0	110.94	102.19	109.10	3.94	3.73
[2]AmeriGas Pntrs/Finance	*N/A*					*Dc*												
Fxd Rt Sr Nt 5⅝s 2024	[3]mn20	NR			X	BE							675.0	105.87	99.50	104.50	5.38	4.75
Fxd Rt Sr Nt 5¾s 2026	[4]A20	NR			X	BE							675.0	104.50	98.00	103.25	5.69	5.42
AmerisourceBergen Corp[4]	*35102010*	*NA*	*NA*	*NA*		*Sp*	*2419.98*	*24303.3*	*26768.1*	*9-30-17*	*3429.93*	*6018*	*29.2*					
Fxd Rt Sr Nt 3.40s 2024	[5]mn15	NR			X	BE							500.0	103.93	99.97	101.63	3.35	3.10
Fxd Rt Sr Nt 4¼s 2045	[6]ms	NR			X	BE							500.0	103.67	95.00	96.82	4.30	4.52
Sr Fixed Rt Nt 3½s 2021	[7]mn15	A-			X	BE							500.0	104.69	102.14	102.40	3.42	2.85
Sr Nt 3¼s 2025	[8]ms	NR			X	BE							500.0	102.64	98.72	100.21	3.24	3.22
Ameristar Casinos Inc	*25301010*					*Dc*				*6-30-13*								
Sr Nt 7½s 2021	Ao15	NR	7/16	BB-	X	BE							1040			103.76		
Ameritech Capital Funding	*50101020*	*Mgr w/SBC Communications,see*																
Gtd Nt 6⅞s 2027	[9]ao15	BBB+	2/15	A-	X	BE	NC						650.0	121.78	113.63	117.74	5.84	4.61
Deb 5.95s 2038	[10]jj15	BBB+	2/15	A-	X	BE	NC						1750	113.91	103.66	108.92	5.46	5.22
Deb 6.45s 2018	[11]jj15	BBB+	2/15	A-	X	BE	NC						1750	104.51	100.15	100.14	6.44	
Deb 6.55s 2028	[12]jj15	BBB+	2/15	A-	X	BE	NC						1750	118.66	110.67	117.43	5.58	4.37
Ameriprise Financial	*40203010*	*NA*	*NA*	*NA*		*Dc*	*3705.00*	*14576.0*	*5680.00*	*9-30-17*	*[13]5128.00*	*18188*	*49.2*					
Fxd Rt Sr Nt 2⅞s 2026	[14]ms15	NR			X	BE							500.0	99.17	94.31	97.44	2.95	3.21
Fxd Rt Sr Nt 3.70s 2024	[15]ao15	A			X	BE							550.0	106.15	101.73	104.19	3.55	3.02
Sr Nt 4s 2023	[16]ao15	NR			X	BE							750.0	109.32	104.61	106.22	3.77	2.85
Sr Fixed Rt Nt 5.30s 2020	[17]ms15	A			X	BE							750.0	109.24	106.02	106.00	5.00	2.19
Jr Sub Nt Fixed To Float 7.518s 2066	[18]jd	NR	8/16	BBB+	X	BE	100						500.0			100.00	7.52	7.52
Amgen Inc	*35201010*	*NA*	*NA*	*NA*		*Dc*	*41351.0*	*49752.0*	*8193.00*	*9-30-17*	*33777.00*	*58493*	*54.4*					
Sr Nt 6.15s 2018	[19]jd	A	8/13	A+	X	BE							500.0	106.17	101.67	101.66	6.05	
Sr Nt 5.70s 2019	[20]fa	A	8/13	A+	X	BE							1000	107.72	103.78	103.75	5.49	1.88
Sr Nt 6.40s 2039	[21]fa	A	8/13	A+	X	BE							1000	134.06	121.00	131.84	4.85	4.10
Fixed Rt Sr Nt 5¾s 2040	[22]ms15	A	8/13	A+	X	BE							700.0	124.87	110.54	122.69	4.68	4.15
Fixed Rt Sr Nts 3.45s 2020	[23]ao	A	8/13	A+	X	BE							900.0	104.59	102.63	102.68	3.36	2.51
Fixed Rt Sr Nt 4.95s 2041	[24]ao	A	8/13	A+	X	BE							600.0	116.03	102.19	115.14	4.30	3.95
Sr Nt 4.10s 2021	[25]jd15	A	8/13	A+	X	BE							1000	106.78	104.29	104.33	3.93	2.59
Sr Nt 5.65s 2042	[26]jd15	A	8/13	A+	X	BE							1250	125.69	109.66	123.43	4.58	4.10
Fixed Rt Nt 5.15s 2041	[27]mn15	A			X	BE							2250	120.01	108.79	117.92	4.37	3.98
Fixed Rt Sr Nt 3⅞s 2021	mn15	A			X	BE							1750	106.54	104.05	104.37	3.71	2.71
Sr Nt 3⅝s 2022	[28]mn15	A			X	BE							750.0	105.49	102.55	103.38	3.51	2.78
Sr Nt 5⅜s 2043	[29]mn15	A			X	BE							1000	118.70	107.16	116.40	4.62	4.28
Sr Fxd Rt Nt 2.20s 2019	[30]mn22	NR			X	BE							1400	100.97	99.94	99.98	2.20	2.21
Fxd Rt Sr Nt 3⅝s 2024	[31]mn22	NR			X	BE							1400	105.71	100.98	103.62	3.50	2.95
Fxd Rt Sr Nt 2⅛s 2020	[32]mn	A	9/15	A-	X	BE							750.0	100.72	98.95	99.40	2.14	2.44
Fxd Rt Sr Nt 2.70s 2022	[33]mn	NR			X	BE							500.0	101.52	98.88	99.78	2.71	2.77

Uniform Footnote Explanations-See Page 1. Other: [1] Due 12/01/2042. [2] Data of AmeriGas Pntrs. [3] Due 05/20/2024. [4] See Bergen Brunswig. [5] Due 05/15/2024. [6] Due 03/01/2045. [7] Due 11/15/2021. [8] Due 03/01/2025. [9] Due 10/15/2027. [10] Due 01/15/2038. [11] Due 01/15/2018. [12] Due 01/15/2028. [13] Incl current amts. [14] Due 09/15/2026. [15] Due 10/15/2024. [16] Due 10/15/2023. [17] Due 03/15/2020. [18] Due 6-1-66 int paid Jun & Dec 1 to 6-1-16,qtrly aft Sep 1,etc. [19] Due 06/01/2018. [20] Due 02/01/2019. [21] Due 02/01/2039. [22] Due 03/15/2040. [23] Due 10/01/2020. [24] Due 10/01/2041. [25] Due 06/15/2021. [26] Due 06/15/2042. [27] Due 11/15/2041. [28] Due 05/15/2022. [29] Due 05/15/2043. [30] Due 05/22/2019. [31] Due 05/22/2024. [32] Due 05/01/2020. [33] Due 05/01/2022.

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ESPECIALLY NOTEWORTHY:

*This week, **Nutanix, Inc.**, which offers an enterprise cloud operating system that merges traditional servers, virtualization, storage and networking into one integrated solution, is making its debut in the Value Line Investment Survey on page 1826.*

*We also are welcoming **Interactive Brokers Group, Inc.**, a holding company, whose primary asset is a 17.1% stake in IBG LLC, which, in turn, owns operating subsidiaries, to the Brokers & Exchanges Industry. Page 1798.*

*The changes at **General Electric** continue. To wit, the new CEO, John Flannery, has completed a comprehensive overview of operations, and announced a slew of changes, including a 50% reduction in the quarterly dividend payout. Please turn to page 1753 to learn more.*

***Cornerstone OnDemand, Inc.**, recently completed a strategic review process, aided by Goldman Sachs and Centerview Partners. The end result was that Cornerstone accepted an investment of $300 million from a private-equity firm. You can read more about the deal and the stock's appealing long-term prospects on page 1819.*

★★ Rank 1 (Highest) for Timeliness.
★ Rank 2 (Above Average).

In three parts: Part 1 is the Summary & Index. Part 2 is Selection & Opinion. This is Part 3, Ratings & Reports. Volume LXXIII, No. 22

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Value Line's estimates of sales and earnings growth for individual companies are derived by correlating sales, earnings, and dividends to appropriate components or subcomponents of the Gross Domestic Product, presented below. A more detailed forecast appears periodically in *Selection & Opinion*.

HYPOTHESIZED ECONOMIC ENVIRONMENT 3 TO 5 YEARS HENCE

The hypothesized 2020-2022 economic environment into which earnings are forecast is as follows: Unemployment will average 4.0%-4.5% of the national labor force. There will be no major war in progress at that time. Industrial production will be expanding by 2.0%-2.5% per year. Inflation will continue to be modest. Prices as measured by the broad-based GDP deflator will advance by 2.0%-2.5% per year, on average. Long-term interest rates on AAA corporate bonds are projected to average just over 5.0% in the years 2020-2022. We expect the Federal Reserve to pursue moderately tighter monetary policies except in years in which the economy is slowing or there is a recession. Based on these assumptions, the Gross Domestic Product will average about $23,400 billion in the years 2020-2022, a level that is just over 25% above the 2016 total of $18,625 billion.

Things may turn out differently. But in the absence of knowledge of the future, we use the above assumptions, which appear to be most plausible. Thus we are able to apply a common economic environment to all stocks for the purpose of measuring relative growth potential.

THESE ARE THE NATIONAL INCOME SERIES TO WHICH VALUE LINE SALES, EARNINGS, AND DIVIDEND ESTIMATES ARE CORRELATED

ANNUAL STATISTICS	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017***	**2018***	**2020-22***
Gross Domestic Product ($Bill.)	13858	14480	14720	14418	14958	15518	16155	16692	17428	18121	18625	*19387*	*20362*	*23380*
Real GDP (2009 Chained $Bill.)	14615	14877	14834	14418	14779	15021	15355	15612	15982	16397	16716	*17093*	*17590*	*18881*
Total Consumption ($Bill.)	9815	10036	9999	9843	10036	10264	10413	10565	10868	11264	11572	*11883*	*12221*	*13145*
Nonresidential Fixed Investment ($Bill.)	1840	1948	1934	1633	1674	1803	1964	2033	2173	2224	2211	*2306*	*2402*	*2667*
Industrial Prod. (% Change, Annualized)	-2.2	2.5	-3.4	-11.3	5.7	3.3	2.8	1.9	3.7	-2.7	-0.1	*2.2*	*2.5*	*2.2*
Housing Starts (Mill. Units)	1.81	1.34	0.90	0.55	0.59	0.61	0.78	0.93	1.00	1.11	1.18	*1.21*	*1.26*	*1.40*
Total Light Vehicle Sales (Mill. Units)	16.5	16.1	13.2	10.4	11.6	12.7	14.4	15.5	16.4	17.4	17.5	*17.1*	*17.0*	*16.5*
Personal Savings Rate (%)	3.4	3.0	5.0	6.1	5.6	5.7	7.6	4.8	4.8	6.1	4.9	*3.5*	*3.4*	*4.7*
National Unemployment Rate (%)	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	*4.4*	*4.2*	*4.3*
AAA Corp Bond Rate (%)	5.6	5.6	5.6	5.3	4.9	4.6	3.7	4.2	4.2	3.9	3.7	*3.9*	*4.4*	*5.2*
10-Year Treasury Note Rate (%)	4.8	4.6	3.7	3.3	3.2	2.8	1.8	2.4	2.5	2.2	1.9	*2.4*	*2.8*	*3.6*
3-Month Treasury Bill Rate (%)	4.7	4.4	1.4	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.3	*0.9*	*1.5*	*2.8*
ANNUAL RATES OF CHANGE														
Real GDP	2.7	1.8	-0.3	-2.8	2.5	1.6	2.2	1.7	2.4	2.6	1.9	*2.3*	*2.9*	*2.2*
GDP Deflator	3.1	2.7	1.9	0.8	1.2	2.0	1.8	1.6	1.8	1.1	1.5	*1.8*	*2.2*	*2.3*
Consumer Price Index	3.2	2.9	3.8	-0.3	1.6	3.1	2.1	1.5	1.6	0.5	1.8	*1.8*	*2.1*	*2.5*

QUARTERLY ANNUALIZED RATES	**2016**				**2017**				**2018**			
	1st	2nd	3rd	4th	1st	2nd	3rd*	4th*	1st*	2nd*	3rd*	4th*
Gross Domestic Product ($Bill.)	18325	18538	18729	18906	19057	19250	*19499*	*19741*	*19967*	*20225*	*20496*	*20760*
Real GDP (2009 Chained $Bill.)	16572	16664	16778	16851	16901	17031	*17157*	*17284*	*17391*	*17520*	*17659*	*17790*
Total Consumption ($Bill.)	11430	11537	11618	11702	11757	11839	*11924*	*12012*	*12095*	*12179*	*12263*	*12345*
Nonresidential Fixed Investment ($Bill.)	2188	2205	2224	2225	2263	2292	*2320*	*2346*	*2369*	*2390*	*2413*	*2437*
Industrial Production (% Change, Annualized)	-1.3	-0.7	0.8	0.7	1.5	5.6	*-1.5*	*3.0*	*2.5*	*2.3*	*2.5*	*2.5*
Housing Starts (Mill. Units)	1.15	1.16	1.15	1.25	1.24	1.17	*1.17*	*1.25*	*1.20*	*1.25*	*1.27*	*1.30*
Total Light Vehicle Sales (Mill. Units)	17.3	17.2	17.5	17.8	17.1	16.8	*17.1*	*17.3*	*17.0*	*17.0*	*17.0*	*17.0*

*Estimated

Traditionally, equities of water utilities have been purchased for safety, income, and well-defined earnings. These stocks would lag the market during rallies and outperform during downturns. Investors were also willing to accept less total return in exchange for low volatility and better defined earnings and dividend prospects. This pattern has changed in the recent past.

Almost every member of the water group is in the midst of a large construction program aimed at replacing aging pipelines and waste treatment facilities. In general, balance sheets are only rated about average, as they have needed to add debt to fund capital investments.

The regulatory climate of the states where a utility operates plays a significant role in its earnings and dividends potential. This is because state authorities determine the rate of return on utilities' investment in new plant. Unlike the situation faced by their cousins, electric utilities, the relationship between regulators and water companies has been positive.

Size Mattered Last Quarter

One of the major developments over the past three months was the dichotomy in the performance of the different stocks in the Water Utility Industry. The five largest equities by market capitalization, had these results: *American States Water* (+10.4%), *American Water Works* (+9.0%), *Aqua America* (+14.5%), *California Water* (+12.7%), and *SJW Group* (+10.2%). The four stocks that had a market cap that averaged from $200 million to $750 million posted these numbers; *Connecticut Water* (-6.2%), *Consolidated Water* (-3.0%), *Middlesex Water* (-3.4%), and *York Water* (-5.1%). A few conclusions can be drawn from the stark differences in returns. First, the five mid- to large-cap stocks all outperformed the S&P 500 Index by a wide margin. Second, not only did the four small stocks not keep pace with their larger peers, but they all had a negative price performance.

Since the smaller companies didn't have earnings misses nor lower guidance, the evidence seems to suggest that there is a greater demand for large-cap stocks. This makes sense when considering the makeup of the market. Large institutions, pension and mutual funds, and ETFs, generally shy away from small-cap stocks. Why? The answer is these participants typically take positions in companies that would represent 2%-3% of their portfolio. For a $5 billion portfolio, that works out to a average stake of $125 million. That would represent a 28% ownership in *York Water*. Institutional investors don't want to have that type of exposure to any one company. In addition, just the mechanics of trying to purchase more than a 25% stake in a company would also almost surely drive up the price of the outstanding shares considerable. Plus, exiting such a position would have the opposite effect.

Large Construction Programs

Following several decades of neglect, the nation's water infrastructure was left in terrible condition. Pipeline systems were antiquated and waste facilities needed to be upgraded and expanded to handle greater demand. The neglect was not purposeful. It was mostly caused by regulators not wanting to raise customers (i.e. voters) water bills, and utilities not wanting to make sizable investments, in which there was uncertainty regarding the what level of return they would be granted. Fortunately, the two sides got together and realized that massive amount of funds would be required to modernize the domestic water delivery systems. Though they are playing catch up, most believe the industry and regulators have done a decent job of addressing the issue. Fixing the water infrastructure will still take many years, but the commitment has been made to resolve the problem.

INDUSTRY TIMELINESS: 79 (of 97)

Regulation Remains Key

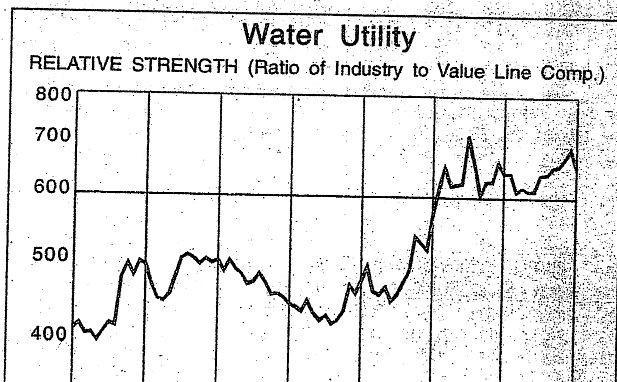
Perhaps the most important reason behind the strong operational performance turned in by this group is due to the overall national regulatory climate. State authorities realized that the past history of keeping water consumers bills too low came at a high cost. Most public utility commissions understood that they would have to work in partnership with the industry to make sure that the burdensome construction programs were undertaken. Since regulators literally legislate what a utility is allowed to earn on its investment, their importance cannot be overstated.

Conclusion

Shares of water utilities are currently trading in uncharted territory. Aided most likely by strong institutional demand, and a limited supply of equity, the large- and mid-cap stocks in the group have done extremely well. Of the five equities that are of this size, four are ranked 2 (Above Average) for Timeliness and the other garners a 3 (Average) ranking. Of the small-cap members of this group, one is timely, one is neutrally ranked, and the other two are expected to underperform the market in the year ahead.

We caution investors that these stocks may not be as safe as they have been in the past. That's because the larger utilities have seen their stocks rise to near all-time highs. For example, the current yield on this group's stocks is only about equal to the *Value Line* median. Also, though inflation remains tame, the Federal Reserve has indicated that there will probably be several more interest rate hikes next year. This could make bonds more attractive to income-oriented investors. In any case, subscribers should be aware that these stocks may carry more risk than their Beta co-efficients and Safety ranks indicate.

James A. Flood



AMER. STATES WATER NYSE-AWR

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
56.40	32.0	(Trailing: 30.8) (Median: 20.0)	1.56	1.9%	1784

TIMELINESS 2 Raised 12/1/17
SAFETY 2 Raised 7/20/12
TECHNICAL 2 Raised 12/29/17
BETA .80 (1.00 = Market)

High:	21.9	23.1	21.0	19.4	19.8	18.2	24.1	33.1	38.7	44.1	47.2	58.4
Low:	15.1	16.8	13.5	14.9	15.6	15.3	17.0	24.0	27.0	35.8	37.3	41.1

Target Price Range 2020 | 2021 | 2022

2020-22 PROJECTIONS

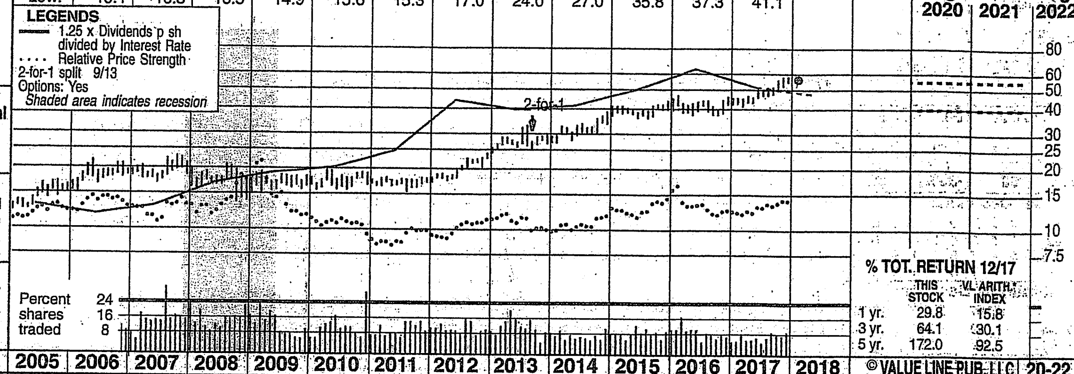
	Price	Gain	Ann'l Total Return
High	55	(Nil)	2%
Low	40	(-30%)	-5%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	11	0	8	2	0	3	4	0	2
to Sell	3	1	4	3	2	4	3	2	4

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	87	96	104
to Sell	89	84	79
Hld's(000)	29082	28355	27880



% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	29.8	15.8
3 yr.	64.1	30.1
5 yr.	172.0	92.5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
6.53	6.89	6.99	6.81	7.03	7.88	8.75	9.21	9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	*12.40*	*12.65*	Revenues per sh	*15.95*
1.26	1.27	1.04	1.11	1.32	1.45	1.65	1.69	1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	*2.85*	*3.05*	"Cash Flow" per sh	*3.85*
.67	.67	.39	.53	.66	.67	.81	.78	.81	1.11	1.12	1.41	1.61	1.57	1.60	1.62	*1.85*	*1.85*	Earnings per sh A	*2.35*
.43	.44	.44	.44	.45	.46	.48	.50	.51	.52	.55	.64	.76	.83	.87	.91	.99	*1.06*	Div'd Decl'd per sh B■	*1.35*
1.59	1.34	1.88	2.51	2.12	1.95	1.45	2.23	2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	*3.15*	*3.15*	Cap'l Spending per sh	*3.60*
6.61	7.02	6.98	7.51	7.86	8.32	8.77	8.97	9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	*14.20*	*14.85*	Book Value per sh	*16.80*
30.24	30.36	30.42	33.50	33.60	34.10	34.46	34.60	37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	*36.70*	*36.80*	Common Shs Outst'g C	*37.00*
16.7	18.3	31.9	23.2	21.9	27.7	24.0	22.6	21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	*26.1*		Avg Ann'l P/E Ratio	*21.0*
.86	1.00	1.82	1.23	1.17	1.50	1.27	1.36	1.41	1.00	.97	.91	.97	1.06	1.24	1.35	*1.27*		Relative P/E Ratio	*1.30*
3.9%	3.6%	3.5%	3.6%	3.1%	2.5%	2.5%	2.9%	2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	2.0%		Avg Ann'l Div'd Yield	*2.8%*
						301.4	318.7	361.0	398.9	419.3	466.9	472.1	465.8	458.6	436.1	*445*	*470*	Revenues ($mill)	*590*
						28.0	26.8	29.5	41.4	42.0	54.1	62.7	61.1	60.5	59.7	*62.0*	*66.0*	Net Profit ($mill)	*87.0*
						42.6%	37.8%	38.9%	43.2%	41.7%	39.9%	36.3%	38.4%	38.4%	36.8%	*36.5%*	*21.0%*	Income Tax Rate	*21.0%*
						8.5%	6.9%	3.2%	5.8%	2.0%	2.5%	--	--	2.5%	.5%	*1.5%*	*2.0%*	AFUDC % to Net Profit	*2.5%*
						46.9%	46.2%	45.9%	44.3%	45.4%	42.2%	39.8%	39.1%	41.1%	39.4%	*40.0%*	*42.0%*	Long-Term Debt Ratio	*43.5%*
						53.1%	53.8%	54.1%	55.7%	54.6%	57.8%	60.2%	60.9%	58.9%	60.6%	*60.0%*	*58.0%*	Common Equity Ratio	*56.5%*
						569.4	577.0	665.0	677.4	749.1	787.0	818.4	832.6	791.5	815.3	*870*	*935*	Total Capital ($mill)	*1100*
						776.4	825.3	866.4	855.0	896.5	917.8	981.5	1003.5	1060.8	1150.9	*1200*	*1250*	Net Plant ($mill)	*1400*
						6.7%	6.4%	5.9%	7.6%	7.1%	8.3%	8.9%	8.6%	9.0%	8.6%	*8.5%*	*8.5%*	Return on Total Cap'l	*9.0%*
						9.3%	8.6%	8.2%	11.0%	10.3%	11.9%	12.7%	12.0%	13.0%	12.1%	*12.0%*	*12.0%*	Return on Shr. Equity	*14.0%*
						9.3%	8.6%	8.2%	11.0%	10.3%	11.9%	12.7%	12.0%	13.0%	12.1%	*12.0%*	*12.0%*	Return on Com Equity	*14.0%*
						3.9%	3.1%	3.2%	5.8%	5.3%	6.6%	6.8%	5.7%	6.0%	5.3%	*5.0%*	*5.5%*	Retained to Com Eq	*6.0%*
						58%	64%	61%	47%	49%	45%	47%	53%	54%	56%	*58%*	*58%*	All Div'ds to Net Prof	*57%*

CAPITAL STRUCTURE as of 9/30/17
Total Debt $367.3 mill. **Due in 5 Yrs** $41.7 mill.
LT Debt $321.0 mill. **LT Interest** $21.3 mill.
(38% of Cap'l)

Leases, Uncapitalized: Annual rentals $2.5 mill.
Pension Assets-12/16 $150.9 mill.
Oblig. $180.4 mill.
Pfd Stock None.

Common Stock 36,679,175 shs.
as of 10/1/17

MARKET CAP: $2.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	4.4	.4	6.7
Accts Receivable	18.9	20.0	29.4
Other	109.4	146.5	110.6
Current Assets	132.7	166.9	146.7
Accts Payable	50.6	43.7	53.8
Debt Due	28.3	90.3	46.3
Other	44.6	43.9	51.8
Current Liab.	123.5	177.9	151.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	5.5%	3.0%	*4.5%*
"Cash Flow"	7.5%	6.5%	*6.0%*
Earnings	10.0%	9.5%	*6.5%*
Dividends	7.0%	10.5%	*7.5%*
Book Value	5.5%	5.0%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	102.0	115.6	138.3	109.9	465.8
2015	100.9	114.6	133.0	110.1	458.6
2016	93.5	112.0	123.8	106.8	436.1
2017	98.8	113.2	124.4	*108.6*	*445*
2018	*102*	*118*	*135*	*115*	*470*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	.28	.39	.54	.36	1.57
2015	.32	.41	.56	.31	1.60
2016	.28	.45	.59	.30	1.62
2017	.34	.62	.57	*.32*	*1.85*
2018	*.39*	*.48*	*.60*	*.38*	*1.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.2025	.2025	.213	.213	.83
2015	.213	.213	.224	.224	.87
2016	.224	.224	.224	.242	.91
2017	.242	.242	.255	.255	.99
2018					

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

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

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

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

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

James A. Flood *January 12, 2018*

(A) Primary earnings. Excludes nonrecurring gains/(losses): '04, 7¢; '05, 13¢; '06, 3¢; '08, (14¢); '10, (23¢); '11, 10¢. Next earnings report due early February.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for split.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	75
Earnings Predictability	85

AMERICAN WATER NYSE-AWK

RECENT PRICE	89.08	P/E RATIO	28.1 (Trailing: 30.2 / Median: NMF)	RELATIVE P/E RATIO	1.37	DIV'D YLD	2.0%	VALUE LINE	1785

TIMELINESS	2 Raised 11/17/17
SAFETY	3 New 7/25/08
TECHNICAL	3 Lowered 1/12/18

BETA .65 (1.00 = Market)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High:	23.7	23.0	25.8	32.8	39.4	45.1	56.2	61.2	85.2	92.4
Low:	16.5	16.2	19.4	25.2	31.3	37.0	41.1	48.4	58.9	70.0

Target Price Range 2020 | 2021 | 2022

2020-22 PROJECTIONS

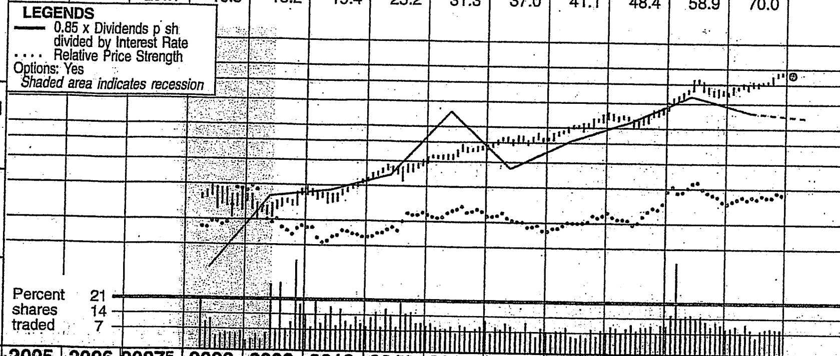
	Price	Gain	Ann'l Total Return
High	90	(Nil)	3%
Low	60	(-35%)	-6%

Insider Decisions

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

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	269	281	262
to Sell	302	291	292
Hld's(000)	160388	158865	160782



% TOT. RETURN 12/17

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

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

CAPITAL STRUCTURE as of 9/30/17
Total Debt $7462.0 mil. Due in 5 Yrs $1698.0 mil.
LT Debt $6672.0 mil. LT Interest $349.0 mil.
(55% of Cap'l)

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

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

MARKET CAP: $15.9 billion (Large Cap)

2007E	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
2214.2	2336.9	2440.7	2710.7	2666.2	2876.9	2901.9	3011.3	3159.0	3302.0	3380	3600	Revenues ($mill)	4325
d342.3	187.2	209.9	267.8	304.9	374.3	369.3	429.8	476.0	468.0	535	590	Net Profit ($mill)	780
--	37.4%	37.9%	40.4%	39.5%	40.7%	39.1%	39.4%	39.1%	39.2%	40.0%	21.0%	Income Tax Rate	21.0%
--	--	--	--	--	6.2%	5.1%	--	5.1%	1.4%	2.0%	2.5%	AFUDC % to Net Profit	3.5%
50.9%	53.1%	56.9%	56.8%	55.7%	53.9%	52.4%	52.4%	53.7%	52.4%	53.5%	55.0%	Long-Term Debt Ratio	54.0%
49.1%	46.9%	43.1%	43.2%	44.2%	46.1%	47.6%	47.4%	46.2%	47.5%	46.5%	45.0%	Common Equity Ratio	46.0%
9245.7	8750.2	9289.0	9561.3	9580.3	9635.5	9940.7	10364	10911	10967	11600	12850	Total Capital ($mill)	16000
9318.0	9991.8	10524	11059	11021	11739	12391	12900	13933	14992	15675	16400	Net Plant ($mill)	18000
NMF	3.7%	3.8%	4.4%	4.8%	5.4%	5.1%	5.5%	5.7%	5.6%	6.0%	6.0%	Return on Total Cap'l	6.5%
NMF	4.6%	5.2%	6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	9.5%	10.0%	Return on Shr. Equity	10.5%
NMF	4.6%	5.2%	6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	9.5%	10.0%	Return on Com Equity	10.5%
NMF	3.0%	1.8%	2.8%	3.5%	3.6%	4.7%	4.3%	4.7%	4.0%	4.5%	4.5%	Retained to Com Eq	4.5%
--	34%	65%	56%	52%	57%	40%	50%	50%	56%	57%	55%	All Div'ds to Net Prof	57%

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

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

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

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

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

BUSINESS: American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to over 15 million people in over 47 states and Canada. (Regulated presence in 16 states.) Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 86.5% of 2016 revenues. New Jersey is its largest market accounting for 25.4% of regulated revenues. Has 6,800 employees. The Vanguard Group, owns 9.6% of outstanding shares; BlackRock, Inc., 8.2%; officers & directors, less than 1.0%. (3/17 Proxy). President & CEO: Susan N. Story. Chair.: George MacKenzie. Address: 1025 Laurel Oak Road, Voorhees, NJ 08043. Tel.: 856-346-8200. Internet: www.amwater.com.

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

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

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

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

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

James A. Flood *January 12, 2018*

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

Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	85
Earnings Predictability	90

AQUA AMERICA NYSE-WTR

RECENT PRICE	38.65	P/E RATIO	27.4 (Trailing: 29.1; Median: 22.0)	RELATIVE P/E RATIO	1.34	DIV'D YLD	2.2%	VALUE LINE	1786

TIMELINESS **2** Raised 11/17/17
SAFETY **2** Raised 4/20/12
TECHNICAL **3** Lowered 1/5/18
BETA .75 (1.00 = Market)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
High:	23.8	21.3	17.6	17.2	18.4	19.0	21.5	28.1	28.2	31.1
Low:	16.1	15.1	9.8	12.3	13.2	15.4	16.8	20.6	22.4	24.4

High:	35.8	39.6
Low:	28.0	29.4

Target Price Range 2020 2021 2022

2020-22 PROJECTIONS

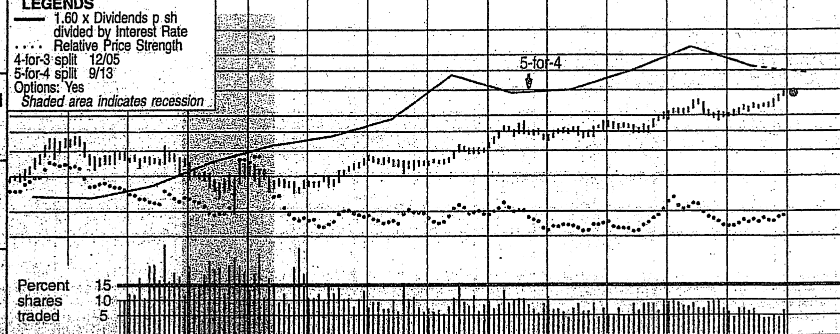
	Price	Gain	Ann'l Total Return
High	45	(+15%)	6%
Low	35	(-10%)	Nil

Insider Decisions

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

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	179	172	187
to Sell	180	155	120
Hld's(000)	103594	104564	105796



% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	33.8	15.8
3 yr.	58.1	30.1
5 yr.	118.0	92.5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
2.16	2.28	2.38	2.78	3.08	3.23	3.61	3.71	3.93	4.21	4.10	4.32	4.32	4.37	4.61	4.62	*4.50*	*4.70*	Revenues per sh	*6.05*
.69	.76	.77	.87	.97	1.01	1.10	1.14	1.29	1.42	1.45	1.51	1.82	1.89	1.87	2.07	*2.15*	*2.25*	"Cash Flow" per sh	*2.75*
.41	.43	.46	.51	.57	.56	.57	.58	.62	.72	.83	.87	1.16	1.20	1.14	1.32	*1.36*	*1.45*	Earnings per sh A	*1.85*
.24	.26	.28	.29	.32	.35	.38	.41	.44	.47	.50	.54	.58	.63	.69	.74	.79	*.85*	Div'd Decl'd per sh B■	*1.15*
.87	.96	1.06	1.23	1.47	1.64	1.43	1.58	1.66	1.89	1.90	1.98	1.73	1.84	2.07	2.16	*2.55*	*2.45*	Cap'l Spending per sh	*2.25*
3.32	3.49	4.27	4.71	5.04	5.57	5.85	6.26	6.50	6.81	7.21	7.90	8.63	9.27	9.78	10.43	*11.10*	*11.75*	Book Value per sh	*14.85*
142.47	141.49	154.31	158.97	161.21	165.41	166.75	169.21	170.61	172.46	173.60	175.43	177.93	178.59	176.54	177.39	*178.00*	*178.50*	Common Shs Outst'g C	*180.00*
23.6	23.6	24.5	25.1	31.8	34.7	32.0	24.9	23.1	21.1	21.3	21.9	21.2	20.8	23.5	23.9	*24.5*		Avg Ann'l P/E Ratio	*21.0*
1.21	1.29	1.40	1.33	1.69	1.87	1.70	1.50	1.54	1.34	1.34	1.39	1.19	1.09	1.18	1.26	*1.20*		Relative P/E Ratio	*1.30*
2.5%	2.5%	2.5%	2.3%	1.8%	1.8%	2.1%	2.8%	3.1%	3.1%	2.8%	2.8%	2.4%	2.5%	2.6%	2.3%	2.4%		Avg Ann'l Div'd Yield	*2.9%*
						602.5	627.0	670.5	726.1	712.0	757.8	768.6	779.9	814.2	819.9	*800*	*840*	Revenues ($mill)	*1085*
						95.0	97.9	104.4	124.0	144.8	153.1	205.0	213.9	201.8	234.2	*245*	*260*	Net Profit ($mill)	*335*
						38.9%	39.7%	39.4%	39.2%	32.9%	39.0%	10.0%	10.5%	6.9%	8.2%	*9.0%*	*9.0%*	Income Tax Rate	*10.0%*
						--	--	--	--	--	--	1.1%	2.4%	3.1%	3.8%	*3.5%*	*3.0%*	AFUDC % to Net Profit	*3.5%*
						55.4%	54.1%	55.6%	56.6%	52.7%	52.7%	48.9%	48.5%	50.3%	48.4%	*47.0%*	*49.0%*	Long-Term Debt Ratio	*51.0%*
						44.6%	45.9%	44.4%	43.4%	47.3%	47.3%	51.1%	51.5%	49.7%	51.6%	*53.0%*	*51.0%*	Common Equity Ratio	*49.0%*
						2191.4	2306.6	2495.5	2706.2	2646.8	2929.7	3003.6	3216.0	3469.5	3587.7	*3735*	*4100*	Total Capital ($mill)	*5500*
						2792.8	2997.4	3227.3	3469.3	3612.9	3936.2	4167.3	4402.0	4688.9	5001.6	*5080*	*5275*	Net Plant ($mill)	*5800*
						5.9%	5.7%	5.6%	5.9%	6.9%	6.6%	8.0%	7.8%	6.9%	7.6%	*7.5%*	*7.5%*	Return on Total Cap'l	*7.5%*
						9.7%	9.3%	9.4%	10.6%	11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	*12.5%*	*12.5%*	Return on Shr. Equity	*12.5%*
						9.7%	9.3%	9.4%	10.6%	11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	*12.5%*	*12.5%*	Return on Com Equity	*12.5%*
						3.2%	2.8%	2.7%	3.7%	4.6%	4.3%	6.7%	6.1%	4.7%	5.6%	*5.5%*	*5.0%*	Retained to Com Eq	*4.5%*
						67%	70%	72%	65%	60%	61%	50%	52%	60%	56%	*58%*	*59%*	All Div'ds to Net Prof	*62%*

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

Pension Assets-12/16 $242.4 mill.
Oblig. $308.2 mill.

Pfd Stock None
Common Stock 177,690,598 shares as of 10/20/17

MARKET CAP: $6.9 billion (Large Cap)

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

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	4.0%	2.0%	*5.0%*
"Cash Flow"	7.5%	7.0%	*6.0%*
Earnings	8.5%	11.0%	*7.0%*
Dividends	8.0%	8.0%	*9.0%*
Book Value	7.0%	7.5%	*6.5%*

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

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

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

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

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

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

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

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

James A. Flood *January 12, 2018*

(A) Diluted egs. Excl. nonrec. gains: '01, 2¢; '02, 4¢; '03, 3¢; '12, 18¢. Excl. gain from disc. operations: '12, 7¢; '13, 9¢; '14, 11¢. May not sum due to rounding. Next earnings report due mid-February.
(B) Dividends historically paid in early March, June, Sept. & Dec. ■ Div'd. reinvestment plan available (5% discount).
(C) In millions, adjusted for stock splits.

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

CALIFORNIA WATER NYSE-CWT

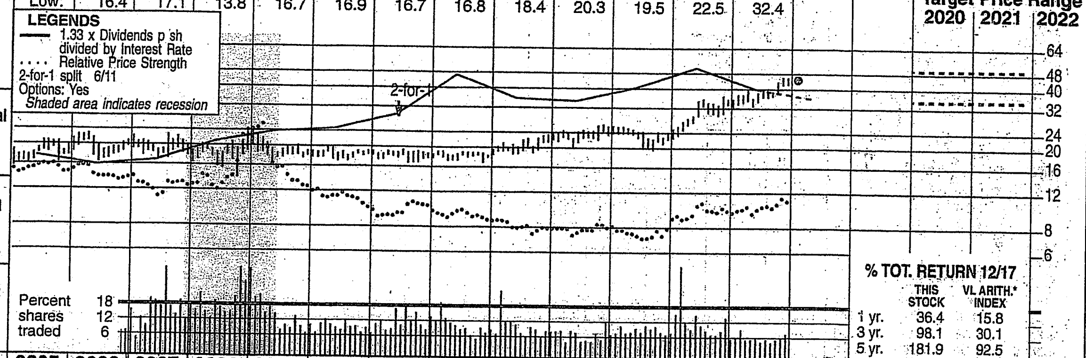
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
44.70	30.0 (Trailing: 31.5) (Median: 20.0)	1.46	1.6%	1787

TIMELINESS 2 Raised 9/1/17
SAFETY 3 Lowered 7/27/07
TECHNICAL 2 Raised 12/22/17
BETA .80 (1.00 = Market)

High:	22.9	22.7	23.3	24.1	19.8	19.4	19.3	23.4	26.4	26.0	36.8	46.2
Low:	16.4	17.1	13.8	16.7	16.9	16.7	16.8	18.4	20.3	19.5	22.5	32.4

Target Price Range 2020 | 2021 | 2022

LEGENDS
— 1.33 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 6/11
Options: Yes
Shaded area indicates recession



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+10%)	5%
Low	35	(-20%)	-4%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	1	1	1	1	1	1	1	1	1
Options	22	0	0	0	0	0	0	0	1
to Sell	1	0	1	1	0	0	1	0	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	97	88	80
to Sell	83	77	71
Hld's(000)	38886	38422	38931

% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	36.4	15.8
3 yr.	98.1	30.1
5 yr.	181.9	92.5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
8.13	8.67	8.18	8.59	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.70	14.10	Revenues per sh	15.00
1.10	1.32	1.26	1.42	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	2.70	2.90	"Cash Flow" per sh	3.25
.47	.63	.61	.73	.74	.67	.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.55	Earnings per sh A	1.85
.56	.56	.56	.57	.57	.58	.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	Div'd Decl'd per sh B ■	1.02
2.04	2.91	2.19	1.87	2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	3.85	3.65	Cap'l Spending per sh	3.65
6.48	6.56	7.22	7.83	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.30	14.75	Book Value per sh C	16.50
30.36	30.36	33.86	36.73	36.78	41.31	41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.25	48.50	Common Shs Outst'g D	50.00
27.1	19.8	22.1	20.1	24.9	29.2	26.1	19.8	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9		Avg Ann'l P/E Ratio	23.0
1.39	1.08	1.26	1.06	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.56	1.31		Relative P/E Ratio	1.45
4.4%	4.5%	4.2%	3.9%	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%		Avg Ann'l Div'd Yield	2.4%
						367.1	410.3	449.4	460.4	501.8	560.0	584.1	597.5	588.3	609.4	660	685	Revenues ($mill) E	750
						31.2	39.8	40.6	37.7	36.1	42.6	47.3	56.7	45.0	48.7	68.0	75.0	Net Profit ($mill)	93.0
						39.9%	37.7%	40.3%	39.5%	40.5%	37.5%	30.3%	33.0%	36.0%	35.5%	35.0%	21.0%	Income Tax Rate	21.0%
						8.3%	8.6%	7.6%	4.2%	7.6%	8.0%	4.3%	2.7%	4.3%	6.1%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
						42.9%	41.6%	47.1%	52.4%	51.7%	47.8%	41.6%	40.1%	44.4%	44.6%	43.0%	44.5%	Long-Term Debt Ratio	42.0%
						56.6%	58.4%	52.9%	47.6%	48.3%	52.2%	58.4%	59.9%	55.6%	55.4%	57.0%	55.5%	Common Equity Ratio	58.0%
						674.9	690.4	794.9	914.7	931.5	908.2	1024.9	1045.9	1154.4	1191.2	1215	1290	Total Capital ($mill)	1425
						1010.2	1112.4	1198.1	1294.3	1381.1	1457.1	1515.8	1590.4	1701.8	1859.3	1900	1930	Net Plant ($mill)	2000
						5.9%	7.1%	6.5%	5.5%	5.5%	6.3%	6.0%	6.3%	5.2%	5.5%	6.5%	7.0%	Return on Total Cap'l	7.5%
						8.1%	9.9%	9.6%	8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	10.0%	10.5%	Return on Shr. Equity	11.0%
						8.1%	9.9%	9.6%	8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	10.0%	10.5%	Return on Com Equity	11.0%
						1.8%	3.8%	3.8%	3.0%	2.3%	3.4%	3.4%	4.1%	2.0%	2.4%	4.5%	5.5%	Retained to Com Eq	5.0%
						77%	61%	60%	66%	71%	62%	56%	55%	71%	68%	51%	49%	All Div'ds to Net Prof	55%

CAPITAL STRUCTURE as of 9/30/17
Total Debt $750.8 mill. **Due in 5 Yrs** $174.0 mill.
LT Debt $519.7 mill. **LT Interest** $35.0 mill.
(44% of Cap'l)

Pension Assets-12/16 $376.5 mill.
Oblig. $564.8 mill.

Pfd Stock None

Common Stock 48,015,000 shs.

MARKET CAP: $2.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	8.8	25.5	28.3
Other	118.8	116.6	152.2
Current Assets	127.6	142.1	180.5
Accts Payable	66.4	77.8	89.4
Debt Due	40.2	123.3	231.1
Other	41.9	49.1	59.9
Current Liab.	148.5	250.2	380.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	4.0%	2.0%	3.0%
"Cash Flow"	5.0%	3.5%	5.5%
Earnings	4.0%	3.0%	10.0%
Dividends	1.5%	2.0%	7.5%
Book Value	5.0%	5.0%	3.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	110.5	158.4	191.2	137.4	597.5
2015	122.0	144.4	183.5	138.4	588.3
2016	121.7	152.4	184.3	151.0	609.4
2017	122.0	171.1	211.7	155.2	660
2018	130	175	215	165	685

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	d.11	.36	.70	.24	1.19
2015	.03	.21	.52	.18	.94
2016	d.02	.24	.48	.31	1.01
2017	.02	.39	.70	.29	1.40
2018	.08	.42	.72	.33	1.55

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.1625	.1625	.1625	.1625	.65
2015	.1675	.1675	.1675	.1675	.67
2016	.1725	.1725	.1725	.1725	.69
2017	.18	.18	.18	.18	.72
2018					

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

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

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

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

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

Nicholas P. Patrikis *January 12, 2018*

(A) Basic EPS. Excl. nonrecurring gain (loss): '01, 2¢; '02, 4¢; '11, 4¢. Next earnings report due late February.
(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.
(C) Incl. intangible assets. In '16 : $21.9 mill., $0.46/sh.
(D) In millions, adjusted for splits.
(E) Excludes non-reg. rev.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	35
Earnings Predictability	65

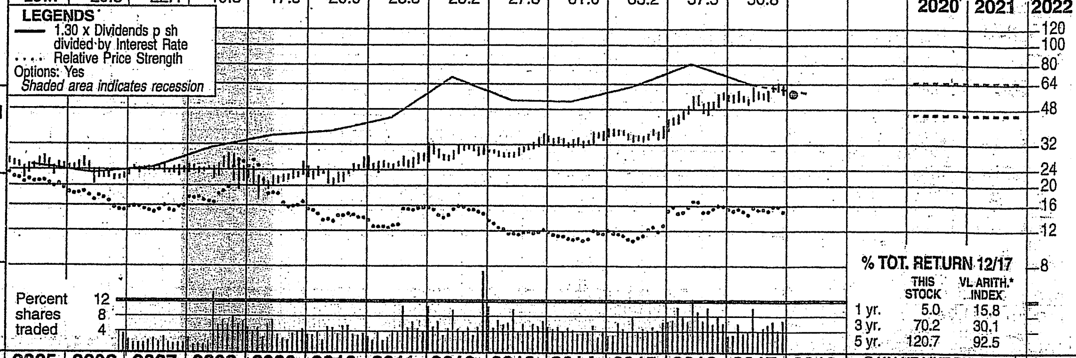
CONNECTICUT WATER NDQ-CTWS

RECENT PRICE 57.13 | P/E RATIO 25.1 (Trailing: 27.7 Median: 20.0) | RELATIVE P/E RATIO 1.22 | DIV'D YLD 2.1% | VALUE LINE 1788

TIMELINESS 2 Raised 1/5/18
SAFETY 3 New 1/18/13
TECHNICAL 1 Raised 1/12/18
BETA .65 (1.00 = Market)

High:	27.7	25.6	29.0	26.4	27.9	29.1	32.8	36.4	37.5	39.9	58.3	65.0
Low:	20.3	22.4	19.3	17.3	20.0	23.3	26.2	27.8	31.0	33.2	37.5	50.8

LEGENDS
— 1.30 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+15%)	6%
Low	45	(-20%)	-3%

Insider Decisions

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

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	48	55	54
to Sell	56	44	45
Hld's(000)	6170	6289	6356

Percent shares traded 12 8 4

% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	5.0	15.8
3 yr.	70.2	30.1
5 yr.	120.7	92.5

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

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
59.0	61.3	59.4	66.4	69.4	83.8	91.5	94.0	96.0	98.7	106	117	Revenues ($mill)	160
8.8	9.4	10.2	9.8	9.9	13.6	18.3	21.3	22.8	23.4	26.5	29.5	Net Profit ($mill)	36.0
32.4%	27.2%	19.5%	35.2%	41.3%	32.0%	28.0%	14.4%	3.5%	9.9%	19.0%	20.0%	Income Tax Rate	20.0%
--	1.7%	--	--	--	1.7%	2.0%	2.4%	2.3%	5.1%	3.0%	2.5%	AFUDC % to Net Profit	2.5%
47.8%	46.9%	50.6%	49.5%	53.2%	49.0%	46.9%	45.7%	44.1%	45.4%	46.5%	46.5%	Long-Term Debt Ratio	45.0%
51.8%	52.7%	49.1%	50.2%	46.5%	50.8%	52.9%	54.1%	55.7%	54.4%	53.5%	53.5%	Common Equity Ratio	55.0%
193.2	196.5	221.3	225.6	254.2	364.6	373.6	386.8	402.4	433.8	550	560	Total Capital ($mill)	610
284.3	302.3	325.2	344.2	362.4	447.9	471.9	506.9	546.3	601.4	615	635	Net Plant ($mill)	675
5.5%	5.9%	5.5%	5.4%	4.9%	4.8%	5.9%	6.4%	6.5%	6.3%	5.5%	6.0%	Return on Total Cap'l	6.5%
8.7%	9.0%	9.3%	8.6%	8.3%	7.3%	9.2%	10.1%	10.1%	9.9%	9.0%	10.0%	Return on Shr. Equity	11.0%
8.7%	9.1%	9.4%	8.7%	8.3%	7.3%	9.2%	10.2%	10.1%	9.9%	9.0%	10.0%	Return on Com Equity	11.0%
1.6%	1.9%	2.3%	1.6%	1.4%	2.8%	3.8%	4.8%	4.9%	4.6%	4.0%	4.5%	Retained to Com Eq	5.5%
82%	79%	76%	81%	83%	62%	59%	53%	52%	54%	54%	52%	All Div'ds to Net Prof	50%

CAPITAL STRUCTURE as of 9/30/17
Total Debt $263.2 mill. Due in 5 Yrs $19.8 mill.
LT Debt $255.2 mill. LT Interest $8.8 mill.
(47% of Cap'l)

Leases, Uncapitalized: Annual rentals $.3 mill.
Pension Assets-12/16 $62.7 mill.
Oblig. $79.3 mill.

Pfd Stock $0.8 mill. **Pfd Divd** NMF

Common Stock 12,068,299 shs.

MARKET CAP: $700 million (Small Cap)

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	.7	1.6	8.3
Accounts Receivable	11.0	13.0	15.6
Other	15.3	14.8	23.2
Current Assets	27.0	29.4	47.1
Accts Payable	11.9	13.1	8.6
Debt Due	2.8	4.9	8.0
Other	22.2	37.1	23.2
Current Liab.	36.9	55.1	39.8

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

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	20.3	25.4	27.6	20.7	94.0
2015	20.0	26.6	28.4	21.0	96.0
2016	21.6	26.1	29.5	21.5	98.7
2017	22.5	27.9	31.8	23.8	106
2018	25.5	30.5	35.0	26.0	117

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	.27	.67	.76	.22	1.92
2015	.28	.77	.79	.20	2.04
2016	.28	.89	.84	.07	2.08
2017	.36	.73	.90	.21	2.20
2018	.37	.80	.93	.30	2.40

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.2475	.2475	.2575	.2575	1.01
2015	.2575	.2575	.2675	.2675	1.05
2016	.2675	.2825	.2825	.2825	1.12
2017	.2825	.2975	.2975	.2975	1.18
2018					

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

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

The company has received approval to raise its rates. As noted in our previous review, Connecticut Water's subsidiary, The Maine Water Company, filed for a rate hike to recoup about $5 million in past water system upgrades and associated operating costs. The rate increase (effective as of December 1st) will impact roughly 16,500 customers and lift its annual revenue haul by more than $1.5 million.

Additional hikes are expected down the road. No doubt, infrastructure upgrades are apt to persist over the pull to next decade, as the push to revamp outdated water pipes and mains continues to be the primary focus for most water utilities. Improvements in water treatment plants are also in the cards. Over the course of this year, we believe CTWS will match its 2017 spending budget, at around $66 million. As always, to help fund (or recoup) these investments, we expect periodic rate filings to come across the public utilities commission's desk.

We have modestly raised our 2018 top- and bottom-line estimates. Due to the abovementioned rate approval and wider customer base, we are adding $2 million and $0.05 to this year's revenue and earnings forecasts, to $117 million and $2.40 a share, respectively. Meanwhile, our financial projections for 2017 are unchanged.

This issue ought to appeal primarily to those with a short-term strategy (Timeliness: 2). On the other hand, shares of CTWS are already trading well within our 3- to 5-year Target Price Range. Therefore, we recommend longer-term accounts wait on the sidelines for a more attractive entry point.

Nicholas P. Patrikis *January 12, 2018*

(A) Diluted earnings. Next earnings report due late February.
(B) Dividends historically paid in mid-March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions
(D) Includes intangibles. In 2016: $30.4 million/$2.70 a share.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	50
Earnings Predictability	85

CONSOL. WATER CO. NDQ-CWCO

RECENT PRICE	12.60	P/E RATIO	20.0 (Trailing: 26.8) (Median: 25.0)	RELATIVE P/E RATIO	0.98	DIV'D YLD	2.7%	VALUE LINE	1789

TIMELINESS	5	Lowered 9/8/17
SAFETY	3	New 1/17/14
TECHNICAL	2	Raised 1/5/18

BETA 1.00 (1.00 = Market)

High:	31.8	37.5	29.8	21.3	15.1	11.7	9.2	16.9	14.5	13.8	14.7	14.0
Low:	19.8	23.3	7.6	6.4	8.1	7.3	6.7	7.5	8.4	9.6	9.8	10.0

Target Price Range 2020 | 2021 | 2022

2020-22 PROJECTIONS

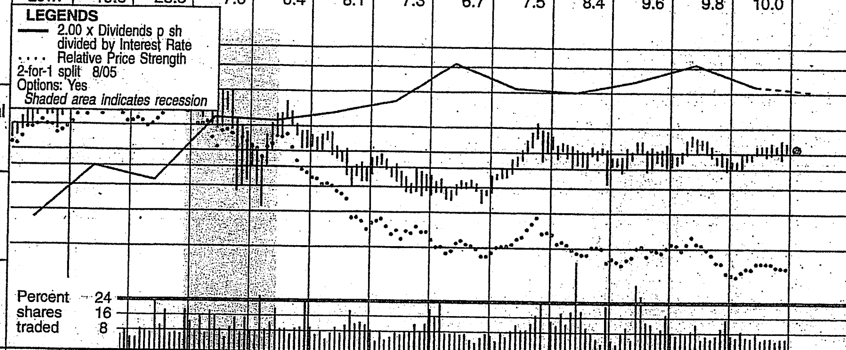
	Price	Gain	Ann'l Total Return
High	30	(+140%)	25%
Low	20	(+60%)	13%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	0	9	0	0	0	0	0	0	7
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	37	39	39
to Sell	41	36	32
Hld's(000)	8265	7511	7940



40
32
24
16
12
10
8
6
4

% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.3	15.8
3 yr.	26.5	30.1
5 yr.	90.8	92.5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
1.41	1.52	1.68	2.02	1.12	2.71	3.41	4.52	3.99	3.49	3.79	4.49	4.35	4.46	3.86	3.89	4.25	4.40	Revenues per sh	9.70
.52	.50	.63	.77	.37	.87	1.20	.95	1.18	.86	.83	1.17	.96	.80	.89	.95	.75	.95	"Cash Flow" per sh	1.85
.35	.32	.42	.49	.23	.59	.79	.50	.74	.43	.42	.64	.58	.42	.51	.27	.55	.70	Earnings per sh A	1.25
.20	.21	.21	.23	.12	.24	.20	.33	.28	.30	.30	.30	.30	.30	.30	.30	.31	.34	Div'd Decl'd per sh B■	.40
.24	.39	.19	.24	.77	1.83	.54	.46	.18	.09	.96	.31	.29	.32	.21	.23	.10	.25	Cap'l Spending per sh	.40
2.45	2.64	3.89	4.20	2.54	7.49	8.21	8.36	8.53	8.69	8.83	9.20	9.44	9.58	9.81	9.79	10.00	10.35	Book Value per sh D	11.90
7.84	7.99	11.37	11.51	23.46	14.13	14.40	14.53	14.54	14.55	14.57	14.59	14.69	14.72	14.78	14.87	15.00	15.00	Common Shs Outst'g C	16.00
13.9	21.6	19.3	23.1	NMF	43.0	35.4	37.8	19.0	26.9	22.4	12.4	20.0	28.3	22.7	44.8	21.6		Avg Ann'l P/E Ratio	21.0
.71	1.18	1.10	1.22	NMF	2.32	1.88	2.27	1.27	1.71	1.41	.79	1.12	1.49	1.14	2.36	1.05		Relative P/E Ratio	1.30
4.2%	3.1%	2.6%	2.0%	.7%	.9%	.7%	1.7%	2.0%	2.6%	3.2%	3.8%	2.6%	2.5%	2.6%	2.5%	2.6%		Avg Ann'l Div'd Yield	1.6%

CAPITAL STRUCTURE as of 9/30/17
Total Debt $0.4 mill. **Due in 5 Yrs** $0.4 mill.
LT Debt None **LT Interest** None

Leases, Uncapitalized: Annual rentals $.8 mill.

No Defined Benefit Pension Plan

Pfd Stock NMF (45,087 shares out.)
Div'd NMF

Common Stock 14,901,711 shs.
as of 11/3/17

MARKET CAP: $200 million (Small Cap)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
49.2	65.7	58.0	50.7	55.2	65.5	63.8	65.6	57.1	57.9	64.0	66.0	Revenues ($mill)	155
11.4	7.2	10.8	6.3	6.1	9.3	8.6	6.3	7.5	4.0	8.0	10.5	Net Profit ($mill)	20.0
--	--	--	--	--	--	--	--	--	--	NMF	NMF	Income Tax Rate	NMF
--	--	--	--	4.0%	--	--	--	--	--	NMF	NMF	AFUDC % to Net Profit	NMF
15.9%	14.8%	13.8%	11.8%	5.1%	3.7%	--	--	3.7%	--	Nil	Nil	Long-Term Debt Ratio	Nil
84.1%	85.2%	86.2%	88.2%	94.9%	96.3%	99.8%	99.8%	100.0%	100.0%	100%	100%	Common Equity Ratio	100%
140.7	142.7	143.9	143.3	135.6	139.4	138.9	141.2	145.0	145.6	150	155	Total Capital ($mill)	190
65.0	65.1	61.2	56.2	64.3	61.6	58.6	56.4	53.7	53.1	50.0	52.0	Net Plant ($mill)	125
8.8%	5.7%	8.1%	4.9%	5.0%	7.0%	6.2%	4.4%	5.2%	2.7%	5.5%	7.0%	Return on Total Cap'l	10.5%
9.6%	5.9%	8.7%	5.0%	4.7%	6.9%	6.2%	4.4%	5.2%	2.7%	5.5%	7.0%	Return on Shr. Equity	10.5%
9.6%	5.9%	8.7%	5.0%	4.7%	6.9%	6.2%	4.4%	5.2%	2.7%	6.0%	6.5%	Return on Com Equity	10.5%
6.5%	2.8%	4.6%	1.5%	1.0%	3.6%	3.0%	1.2%	2.1%	NMF	2.5%	2.5%	Retained to Com Eq	7.0%
33%	52%	46%	69%	79%	48%	51%	73%	59%	112%	56%	49%	All Div'ds to Net Prof	32%

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	50.4	39.3	47.0
Accts Receivable	9.5	16.5	13.0
Other	5.5	5.1	7.8
Current Assets	65.4	60.9	67.8
Accts Payable	4.8	4.9	5.3
Debt Due	7.0	.5	.4
Other	1.4	1.3	1.5
Current Liab.	13.2	6.7	7.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	7.5%	1.5%	16.0%
"Cash Flow"	3.0%	-1.5%	13.5%
Earnings	-1.0%	-5.5%	21.0%
Dividends	4.5%	.5%	7.0%
Book Value	7.5%	2.5%	4.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	16.3	16.9	17.0	15.4	65.6
2015	14.7	14.4	14.6	13.4	57.1
2016	14.0	15.4	14.4	14.1	57.9
2017	15.6	15.3	16.6	16.5	64.0
2018	16.0	16.0	17.5	16.5	66.0

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.04	.19	.13	.06	.42
2015	.13	.15	.12	.11	.51
2016	.15	.15	d.13	.10	.27
2017	.18	.11	.08	.18	.55
2018	.19	.18	.15	.18	.70

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.075	.075	.075	.075	.30
2015	.075	.075	.075	.075	.30
2016	.075	.075	.075	.075	.30
2017	.075	.075	.075	.075	.30
2018	.085				

BUSINESS: Consolidated Water Co. Ltd. develops and operates seawater desalination plants and water distribution systems in areas where naturally occurring supplies of potable water are scarce or nonexistent. Its desalination process involves reverse osmosis tech. It provides water in the Cayman Islands, Belize, the Bahamas, the British Virgin Islands, and Bali. At 12/31/16, it operated 13 plants with a capacity of 26.3 million gallons per day. Inc.: Cayman Islands. Has 117 employees. President & Chief Executive Officer: Frederick McTaggart. Off./Dir. own 2.9% of stock; (4/17 proxy). Address: Regatta Office Park Windward Three, 4th Floor, West Bay Road P.O. Box 1114 Grand Cayman, KYI-1102, Cayman Islands. Tel.: (345) 945-4277. Internet: www.cwco.com.

Consolidated Water is trying to divest its troubled Bali project. The desalination facility, which was completed several years ago, has been a major drag on the company's bottom line. Based on the scarcity of potable water on the island, combined with a growing population, the Nusa Dua plant had promising prospects. Losses generated by the project increased from under $1 million in 2015, however, to $2.5 million in 2016. In 2017, another $1.6 million in charges were incurred. Moreover, no local strategic partnership has been made, and Consolidated is being sued by its largest customer. The company wants to cease operations at Nusa Dua by the end of the first quarter, but that probably will be held up by the pending lawsuit.

A yet-to-be-constructed plant in Mexico will play a major role in Consolidated's future. For many years, the water company has been involved in the planning stages of building the Rosarito desalination plant in Baja, Mexico. Just about all of the required approvals have been granted, and construction is expected to commence in 2018. An equity partner is still needed. The plant would come on line in stages and supply water to both the Tijuana and San Diego areas.

The outlook for the rest of the company's operations remains stable to mixed. The majority of Consolidated's revenues comes from the ownership of desalination facilities in various countries in the Caribbean. Results here have been steady, but negotiations regarding the extension of the company's exclusive right to provide water in the Cayman Islands expired in 2010, and temporary extensions continue to made. In any case, despite the regulatory travails, this should remain the company's core business. Operations in Belize, the Bahamas, and the British Virgin Islands are also doing all right, despite unresolved issues with regulators.

These shares are untimely. Uncertainty with the Nusa Dua plant, as well as regulatory risk in the Caribbean, leaves the company with a somewhat ill-defined future. On the positive side, the dividend was just hiked 13%, the balance sheet has almost no debt, the manufacturing sector is doing well, and the Rosarito project could lead to a nice payoff down the road.

James A. Flood *January 12, 2018*

(A) Fully diluted earnings. Excludes losses from discontinued operations: '17, $0.08 a share. Next earnings report due early February. (B) Dividends historically paid in late January, April, July, and October. ■ Dividend reinvestment plan available.
(C) In millions adjusted for stock split.
(D) Includes intangibles. As of 9/30/17, $13.9 milllion/$0.93 a share.

Company's Financial Strength	B+
Stock's Price Stability	30
Price Growth Persistence	20
Earnings Predictability	45

MIDDLESEX WATER NDQ-MSEX

RECENT PRICE	39.09	P/E RATIO	25.9 (Trailing: 31.3; Median: 20.0)	RELATIVE P/E RATIO	1.26	DIV'D YLD	2.3%	VALUE LINE	1790

TIMELINESS 4 Lowered 7/7/17

SAFETY 2 New 10/21/11

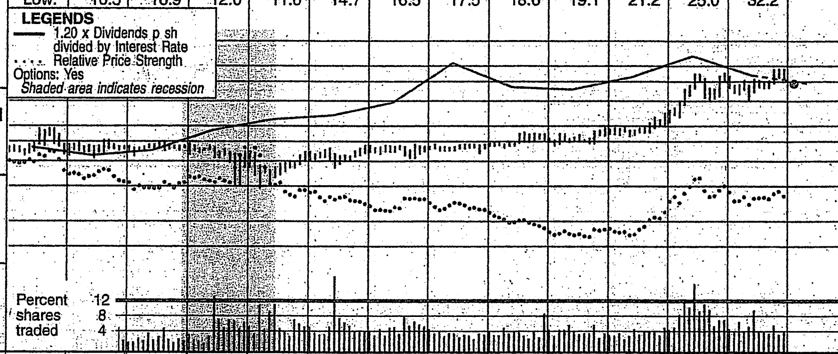
TECHNICAL 1 Raised 1/12/18

BETA .80 (1.00 = Market)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High:	20.5	20.2	19.8	17.9	19.3	19.4	19.6	22.5	23.7	28.0	44.5	46.7
Low:	16.5	16.9	12.0	11.6	14.7	16.5	17.5	18.6	19.1	21.2	25.0	32.2

Target Price Range

2020	2021	2022



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+30%)	9%
Low	35	(-10%)	Nil

Insider Decisions

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

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	45	60	46
to Sell	51	44	41
Hld's(000)	9400	9201	9500

% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-4.9	15.8
3 yr.	87.5	30.1
5 yr.	137.8	92.5

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

CAPITAL STRUCTURE as of 9/30/17
Total Debt \$166.8 mill. **Due in 5 Yrs** \$32.1 mill.
LT Debt \$135.8 mill. **LT Interest** \$6.0 mill.
(Total interest coverage: 10.9x)
(38% of Cap'l)

Pension Assets-12/16 \$59.4 mill.
Oblig. \$78.6 mill.
Pfd Stock \$2.4 mill. **Pfd Div'd:** \$.1 mill.

Common Stock 16,346,036 shs.
as of 10/31/17

MARKET CAP: \$650 million (Small Cap)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
86.1	91.0	91.2	102.7	102.1	110.4	114.8	117.1	126.0	132.9	*134*	*143*	Revenues (\$mill)	*160*
11.8	12.2	10.0	14.3	13.4	14.4	16.6	18.4	20.0	22.7	*23.0*	*27.5*	Net Profit (\$mill)	*35.5*
32.6%	33.2%	34.1%	32.1%	32.7%	33.9%	34.1%	35.0%	34.5%	34.0%	*32.0%*	*21.0%*	Income Tax Rate	*21.0%*
--	--	--	6.8%	6.1%	3.4%	1.9%	1.7%	1.9%	2.7%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.5%*
49.0%	45.6%	46.6%	43.1%	42.3%	41.5%	40.4%	40.5%	39.4%	37.9%	*37.5%*	*37.0%*	Long-Term Debt Ratio	*37.0%*
49.6%	51.8%	52.1%	55.8%	56.6%	57.4%	58.7%	58.8%	59.8%	61.5%	*62.0%*	*62.5%*	Common Equity Ratio	*62.5%*
268.8	259.4	267.9	310.5	312.5	316.5	321.4	335.8	345.4	355.4	*370*	*390*	Total Capital (\$mill)	*460*
333.9	366.3	376.5	405.9	422.2	435.2	446.5	465.4	481.9	517.8	*525*	*535*	Net Plant (\$mill)	*575*
5.6%	5.8%	5.0%	5.7%	5.2%	5.4%	5.9%	6.3%	6.6%	7.1%	*7.0%*	*7.5%*	Return on Total Cap'l	*8.5%*
8.6%	8.6%	7.0%	8.1%	7.5%	7.8%	8.7%	9.2%	9.6%	10.3%	*10.0%*	*11.5%*	Return on Shr. Equity	*12.5%*
8.7%	8.9%	7.0%	8.2%	7.5%	7.8%	8.7%	9.3%	9.6%	10.3%	*10.0%*	*11.5%*	Return on Com Equity	*12.5%*
1.8%	2.0%	.1%	2.1%	1.0%	1.4%	2.4%	3.1%	3.5%	4.3%	*4.0%*	*5.0%*	Retained to Com Eq	*6.0%*
79%	78%	98%	75%	87%	83%	73%	67%	63%	58%	*61%*	*55%*	All Div'ds to Net Prof	*50%*

CURRENT POSITION (\$MILL.)	2015	2016	9/30/17
Cash Assets	3.5	3.9	2.7
Other	20.9	22.8	27.4
Current Assets	24.4	26.7	30.1
Accts Payable	6.5	12.3	12.1
Debt Due	8.7	18.2	31.0
Other	13.1	16.6	15.9
Current Liab.	28.3	47.1	59.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	2.0%	3.0%	*3.5%*
"Cash Flow"	4.5%	6.5%	*8.0%*
Earnings	5.0%	8.0%	*9.0%*
Dividends	1.5%	1.5%	*5.0%*
Book Value	4.0%	3.0%	*4.5%*

Cal-endar	QUARTERLY REVENUES (\$ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	27.1	29.2	32.7	28.1	117.1
2015	28.8	31.7	34.7	30.8	126.0
2016	30.6	32.7	37.8	31.8	132.9
2017	30.1	33.0	36.2	*34.7*	*134*
2018	*33.0*	*37.0*	*38.0*	*35.0*	*143*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	.20	.29	.42	.22	1.13
2015	.22	.31	.41	.28	1.22
2016	.29	.36	.54	.19	1.38
2017	.27	.33	.46	*.34*	*1.40*
2018	*.33*	*.38*	*.60*	*.34*	*1.65*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.19	.19	.19	.1925	.76
2015	.1925	.1925	.1925	.19875	.78
2016	.19875	.19875	.19875	.21125	.81
2017	.21125	.21125	.21125	.22375	.86
2018					

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

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

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

Long-term, infrastructure upgrades ought to bear fruit. Approximately \$12 million per year (for the next three years) is earmarked for the replacement of aging water mains, valves, and other infrastructure upgrades.

The company boosted its quarterly dividend payout by about 6%, to \$0.224 per share. Shareholders have enjoyed 45 years of consecutive dividend increases, and we don't think this streak will be broken anytime soon. At present, MSEX shares offer a yield that fractionally outpaces the average of all dividend paying stocks in *The Value Line Investment Survey*.

This issue is still a subpar selection for relative year-ahead price performance (Timeliness: 4). What's more, total return potential over the pull to 2020-2022 is nothing to write home about. Thus, we think investors can find better options elsewhere, at this juncture.

Nicholas P. Patrikis *January 12, 2018*

(A) Diluted earnings. Next earnings report due early February.

(B) Dividends historically paid in mid-Feb., May, Aug., and November.■ Div'd reinvestment plan available.

(C) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	40
Earnings Predictability	80

SJW GROUP NYSE-SJW

RECENT PRICE 63.47 | P/E RATIO 23.6 (Trailing: 23.6 Median: 23.0) | RELATIVE P/E RATIO 1.15 | DIV'D YLD 1.4% | VALUE LINE 1791

TIMELINESS 3 Raised 6/30/17
SAFETY 3 New 4/22/11
TECHNICAL 2 Raised 1/5/18
BETA .70 (1.00 = Market)

High:	45.3	43.0	35.1	30.4	28.2	26.8	26.9	30.1	33.7	35.7	56.9	69.3
Low:	21.2	27.7	20.0	18.2	21.6	20.9	22.6	24.5	25.5	27.5	28.6	45.4

Target Price Range 2020 | 2021 | 2022

2020-22 PROJECTIONS

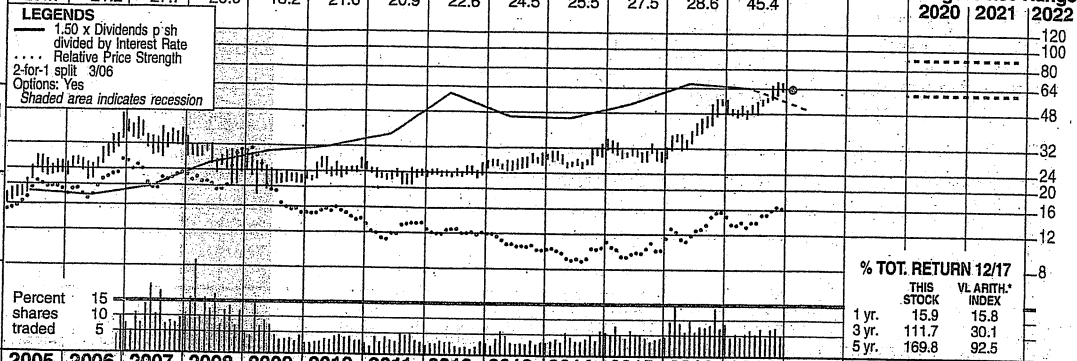
	Price	Gain	Ann'l Total Return
High	90	(+40%)	11%
Low	60	(-5%)	1%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	6	8	0	0	0	0	0	0	1
to Sell	0	0	0	0	0	1	0	0	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	83	67	74
to Sell	59	73	56
Hld's(000)	10726	10969	12340



% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.9	15.8
3 yr.	111.7	30.1
5 yr.	169.8	92.5

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

CAPITAL STRUCTURE as of 9/30/17
Total Debt $431.0 mill. **Due in 5 Yrs** $14.3 mill.
LT Debt $431.0 mill. **LT Interest** $20.0 mill.
(49% of Cap'l)

Leases, Uncapitalized: Annual rentals $6.6 mill.

Pension Assets-12/16 $113.9 mill.
Oblig. $174.1 mill.

Pfd Stock None.

Common Stock 20,520,856 shs.

MARKET CAP: $1.3 billion (Mid Cap)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
206.6	220.3	216.1	215.6	239.0	261.5	276.9	319.7	305.1	339.7	*380*	*395*	Revenues ($mill)	*485*
19.3	20.2	15.2	15.8	20.9	22.3	23.5	51.8	37.9	52.8	*54.0*	*63.0*	Net Profit ($mill)	*69.0*
39.4%	39.5%	40.4%	38.8%	41.1%	41.1%	38.7%	32.5%	38.1%	38.8%	*38.0%*	*21.0%*	Income Tax Rate	*21.0%*
2.7%	2.3%	2.0%	--	--	--	--	--	2.0%	1.0%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.5%*
47.7%	46.0%	49.4%	53.7%	56.6%	55.0%	51.1%	51.6%	49.8%	50.7%	*49.0%*	*48.0%*	Long-Term Debt Ratio	*48.0%*
52.3%	54.0%	50.6%	46.3%	43.4%	45.0%	48.9%	48.4%	50.2%	49.3%	*51.0%*	*52.0%*	Common Equity Ratio	*52.0%*
453.2	470.9	499.6	550.7	607.9	610.2	656.2	744.5	764.6	855.0	*890*	*935*	Total Capital ($mill)	*1090*
645.5	684.2	718.5	785.5	756.2	831.6	898.7	963.0	1036.8	1146.4	*1200*	*1250*	Net Plant ($mill)	*1325*
5.7%	5.8%	4.4%	4.3%	4.9%	5.0%	5.0%	8.3%	6.3%	7.4%	*7.5%*	*8.0%*	Return on Total Cap'l	*8.5%*
8.2%	8.0%	6.0%	6.2%	7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	*12.0%*	*13.0%*	Return on Shr. Equity	*14.0%*
8.2%	8.0%	6.0%	6.2%	7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	*12.0%*	*13.0%*	Return on Com Equity	*14.0%*
3.5%	3.3%	1.2%	1.2%	3.1%	3.3%	2.8%	10.2%	5.7%	8.6%	*7.0%*	*8.5%*	Retained to Com Eq	*9.0%*
57%	59%	80%	80%	61%	59%	62%	29%	42%	31%	*40%*	*33%*	All Div'ds to Net Prof	*34%*

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	5.2	25.3	7.6
Accts Receivable	16.4	16.4	63.0
Other	51.8	57.9	16.5
Current Assets	73.4	99.6	87.1
Accts Payable	16.2	18.7	30.7
Debt Due	38.1	14.3	--
Other	25.3	30.6	59.7
Current Liab.	79.6	63.6	90.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	5.0%	5.5%	*5.0%*
"Cash Flow"	7.0%	12.0%	*4.5%*
Earnings	8.0%	20.5%	*7.0%*
Dividends	4.0%	3.0%	*7.0%*
Book Value	5.5%	6.5%	*4.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	54.6	70.4	125.4	69.3	319.7
2015	62.1	72.4	83.0	87.6	305.1
2016	61.1	86.9	112.3	79.4	339.7
2017	69.0	102.1	124.6	*84.3*	*380*
2018	*75.0*	*105*	*125*	*90.0*	*395*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	.04	.34	1.88	.28	2.54
2015	.23	.36	.46	.80	1.85
2016	.16	.82	.92	.67	2.57
2017	.18	.90	.94	*.58*	*2.60*
2018	*.27*	*.90*	*1.00*	*.68*	*2.85*

Cal-endar	QUARTERLY DIVIDENDS PAID B D■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.1875	.1875	.1875	.1875	.75
2015	.1950	.1950	.1950	.1950	.78
2016	.2025	.2025	.2025	.2025	.81
2017	.2175	.2175	.2175	.3875	1.04
2018					

BUSINESS: SJW Group engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 229,000 connections with a total population of roughly one million people in the San Jose area and 13,000 connections that reaches about 39,000 residents in the region between San Antonio and Austin, Texas. The company also offers nonregulated water-related services and owns and operates commercial real estate investments. Has about 406 employees. Officers and directors (including Nancy O. Moss) own 26.9% of outstanding shares (3/17 proxy). Chairman & C.E.O.: Richard Roth. Inc.: California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.

SJW Group has finalized the sale of its wholly-owned subsidiary, Texas Water Alliance Limited. Early last year, SJW entered into an agreement with the Guadalupe-Blanco River Authority for total consideration of $31 million. SJW netted cash proceeds of $23.5 million, excluding a $3 million holdback fee (due 2021). As a result of the completed sale and subsequent proceeds, the board of directors paid a special dividend of $0.17 a share to stockholders on record as of November 29, 2017. Of note, this is in addition to its regular quarterly distribution.

We are boosting our 2018 financial projections for several reasons. First, revenue growth is in the cards, driven by cumulative rate increases and higher customer water usage. Meantime, operating expenses have yet to abate (marginally higher in the third quarter), but we think production costs can subside somewhat next year, while administrative expenses can be held in check. Lastly, a lower effective tax rate stemming from the recent corporate tax overhaul is the primary factor underpinning our bottom-line ramp. All told, we now look for revenues of $395 million (+$25 million from last report's estimate) and earnings of $2.85 a share (+$0.25) this year.

Investment spending is still the main theme rolling into next decade. Its spending budget, with approximately $250 million to $300 million in available funds, will be periodically tapped to support various projects, infrastructure upgrades, and general water system investments. Presently, management's focus is on the Montevina Water Treatment Plant project (retrofitting was expected to be completed by the end of 2017).

This neutrally ranked equity has etched another high-water mark. Shares of the California-based utility pushed past $65 per share for the first time in its history, before settling slightly below that level. Still, the stock logged an advance of about 10% over the past three months. While we are bullish on the company's business prospects over the pull to 2020-2022, SJW's rapid climb in share price gives us pause. In sum, we recommend investors wait for a better entry point before initiating a position here.

Nicholas P. Patrikis *January 12, 2018*

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

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

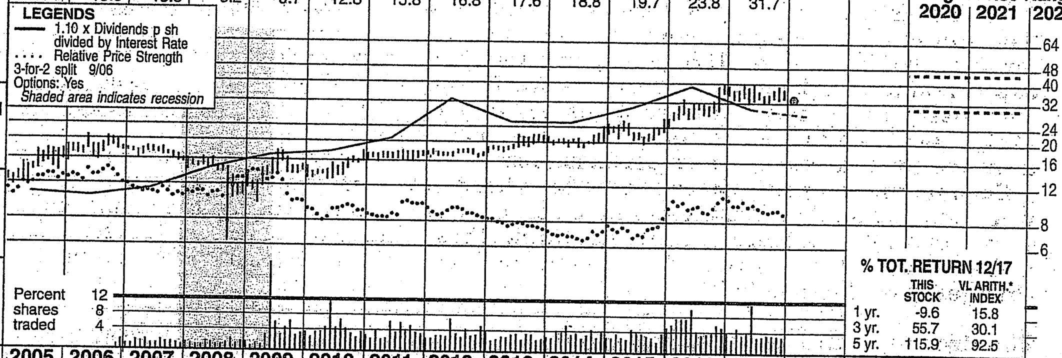
YORK WATER NDQ-YORW

RECENT PRICE	33.35	P/E RATIO	30.0 (Trailing: 34.4 Median: 24.0)	RELATIVE P/E RATIO	1.46	DIV'D YLD	2.0%	VALUE LINE	1792

TIMELINESS 3 Raised 11/17/17
SAFETY 3 Lowered 7/17/15
TECHNICAL 2 Raised 1/5/18
BETA .80 (1.00 = Market)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High:	21.0	18.5	16.5	18.0	18.0	18.1	18.5	22.0	24.3	26.7	39.8	39.9
Low:	15.3	15.5	6.2	9.7	12.8	15.8	16.8	17.6	18.8	19.7	23.8	31.7

Target Price Range 2020 | 2021 | 2022



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+35%)	10%
Low	30	(-10%)	Nil

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	1	13	2	2	13	2	2	13	2
Options	0	0	13	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	38	42	40
to Sell	33	33	30
Hld's(000)	5127	5206	5125

% TOT. RETURN 12/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-9.6	15.8
3 yr.	55.7	30.1
5 yr.	115.9	92.5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
2.05	2.05	2.17	2.18	2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.75	3.95	Revenues per sh	5.40
.59	.57	.65	.65	.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.65	1.75	"Cash Flow" per sh	2.25
.43	.40	.47	.49	.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.05	1.15	Earnings per sh A	1.60
.34	.35	.37	.39	.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.70	Div'd Decl'd per sh B	.96
.75	.66	1.07	2.50	1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	1.25	Cap'l Spending per sh	.95
3.79	3.90	4.06	4.65	4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.88	9.30	9.55	Book Value per sh	11.20
9.46	9.55	9.63	10.33	10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.90	12.75	Common Shs Outst'g C	12.50
17.8	26.9	24.5	25.7	26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	33.3		Avg Ann'l P/E Ratio	22.5
.91	1.47	1.40	1.36	1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.62		Relative P/E Ratio	1.40
4.4%	3.3%	3.2%	3.1%	2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%		Avg Ann'l Div'd Yield	2.6%

CAPITAL STRUCTURE as of 9/30/17
Total Debt $88.9 mill. Due in 5 Yrs $30.5 mill.
LT Debt $88.9 mill. LT Interest $5.4 mill.
(43% of Cap'l)
Pension Assets 12/16 $35.5 mill.
Oblig. $40.8 mill.
Pfd Stock None
Common Stock 12,859,432 shs.
MARKET CAP: $425 million (Small Cap)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
31.4	32.8	37.0	39.0	40.6	41.4	42.4	45.9	47.1	47.6	48.5	50.5	Revenues ($mill)	67.5
6.4	6.4	7.5	8.9	9.1	9.3	9.7	11.5	12.5	11.8	13.5	14.5	Net Profit ($mill)	20.0
36.5%	36.1%	37.9%	38.5%	35.3%	37.6%	37.6%	29.8%	27.5%	31.3%	24.0%	21.0%	Income Tax Rate	21.0%
3.6%	10.1%	--	1.2%	1.1%	1.1%	.8%	1.8%	1.6%	1.9%	2.0%	1.5%	AFUDC % to Net Profit	1.5%
46.5%	54.5%	45.7%	48.3%	47.1%	46.0%	45.1%	44.8%	44.4%	42.6%	43.0%	43.0%	Long-Term Debt Ratio	43.5%
53.5%	45.5%	54.3%	51.7%	52.9%	54.0%	54.9%	55.2%	55.6%	57.4%	57.0%	57.0%	Common Equity Ratio	56.5%
125.7	153.4	160.1	176.4	180.2	184.8	188.4	189.4	196.3	198.7	210	220	Total Capital ($mill)	250
191.6	211.4	222.0	228.4	233.0	240.3	244.2	253.2	261.4	270.9	275	280	Net Plant ($mill)	295
6.7%	5.7%	6.2%	6.5%	6.4%	6.4%	6.5%	7.4%	7.6%	7.2%	7.5%	8.0%	Return on Total Cap'l	9.0%
9.5%	9.2%	8.6%	9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	11.5%	12.0%	Return on Shr. Equity	14.5%
9.5%	9.2%	8.6%	9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	11.5%	12.0%	Return on Com Equity	14.5%
1.7%	1.4%	1.9%	2.7%	2.5%	2.4%	2.4%	3.9%	4.4%	3.4%	4.0%	4.5%	Retained to Com Eq	5.5%
82%	85%	78%	72%	73%	74%	74%	64%	62%	67%	63%	61%	All Div'ds to Net Prof	60%

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	2.9	4.2	--
Accounts Receivable	3.5	4.3	4.4
Inventory (Avg. Cost)	.8	.7	.9
Other	4.6	3.4	3.3
Current Assets	11.8	12.6	8.6
Accts Payable	1.8	3.7	4.0
Debt Due	--	--	--
Other	4.4	4.5	6.1
Current Liab.	6.2	8.2	10.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	4.0%	3.5%	6.5%
"Cash Flow"	6.5%	6.5%	8.0%
Earnings	5.5%	6.0%	9.5%
Dividends	3.5%	3.0%	8.0%
Book Value	5.0%	3.5%	4.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	10.6	11.8	12.0	11.5	45.9
2015	11.2	11.9	12.4	11.6	47.1
2016	11.3	11.8	12.6	11.9	47.6
2017	11.3	12.3	12.7	12.2	48.5
2018	12.0	12.5	13.3	12.7	50.5

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2014	.16	.22	.23	.28	.89
2015	.20	.22	.28	.27	.97
2016	.19	.23	.27	.23	.92
2017	.20	.23	.31	.31	1.05
2018	.24	.25	.34	.32	1.15

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.1431	.1431	.1431	.1431	.572
2015	.1495	.1495	.1495	.1555	.604
2016	.1555	.1555	.1555	.1602	.627
2017	.1602	.1602	.1602	.1666	.647
2018					

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, 2016, the company's average daily availability was 35.4 million gallons and its service territory had an estimated population of 196,000. Has more than 67,000 customers. Residential customers accounted for 63% of 2016 revenues; commercial and industrial (29%); other (8%). It also provides sewer billing services. Incorporated: PA. York had 105 full-time employees at 12/31/16. President/CEO: Jeffrey R. Hines. Officers/directors own 1.1% of the common stock (3/17 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: www.yorkwater.com.

York Water delivered a better-than-expected bottom-line performance in the third quarter. The regulated water utility earned $0.31 a share for the September period (+15% year over year), besting our $0.29 call by two cents. The advance can be largely attributed to a lower effective tax rate (asset improvements qualify for deductions), higher surcharges to customers, and an increased allowance for funds used during construction (interest deduction). Meanwhile, operation and maintenance expenses as a percentage of revenues rose 200 basis points, on an annual basis, which makes the share-net showing even more encouraging. On the other hand, revenue growth was essentially nonexistent, dragged down by generally lower consumption.

We are adjusting our 2018 top- and bottom-line estimates. Despite an expanding customer base (acquisition-driven), York's top line is under some pressure. We now look for revenues of $50.5 million in 2018, down from our prior forecast of $52.0 million. Conversely, we are adding a dime to our earnings-per-share estimate, to $1.15.

Capital expenditures ought to remain par for the course going forward. Management estimates it spent approximately $25 million in 2017 on aging infrastructure, raw water pumping stations, and pipe replacements, more than double the year-earlier total. With plenty of its footprint still needing to be brought up to speed, we anticipate at least several years of aggressive investment spending.

York Water raised its quarterly dividend by 4%, to $0.17 a share. This marks 21 consecutive years that the company has increased its annual dividend payout. The current yield is fractionally above that of the *Value Line* median, but should trend higher into next decade thanks to additional dividend hikes.

York Water shares have moved up one notch for Timeliness, to 3, and are now pegged to track the year-ahead broader market averages. Prospects out to the 2020-2022 time frame are bright, though most of the benefits we envision appear to already be baked into the stock price. Capital appreciation potential does not stand out at the recent quotation.

Nicholas P. Patrikis *January 12, 2018*

(A) Diluted earnings. Next earnings report due late February.
(B) Dividends historically paid in late February, June, September, and December.
(C) In millions, adjusted for split.

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