

Missouri American Water Company

Estimated RoE Using Two-Stage DCF Model with Long Term GDP using Data from Schedule PMA-8 pages 1-10

<u>Utility</u>	<u>Close 8/2011-11/2011 Avg. Stock Price</u>	<u>2011 Dividend</u>	<u>Est. 2015 Dividend</u>	<u>Annual Change to 2015</u>	<u>Recent Price</u>	<u>2011 Year 1 Div.</u>	<u>2012 Year 2 Div.</u>	<u>2013 Year 3 Div.</u>	<u>2014 Year 4 Div.</u>	<u>2015 Year 5 Div.</u>	<u>Year 6-150 Div Growth</u>	<u>IRR Years 0-150 RoE</u>
American States Water	34.33	1.04	1.25	0.05	(34.33)	1.04	1.09	1.15	1.20	1.25	5.20%	8.1%
American Water	27.90	0.88	1.10	0.06	(27.90)	0.88	0.94	0.99	1.05	1.10	5.20%	8.4%
Aqua America	21.94	0.62	0.79	0.04	(21.94)	0.62	0.66	0.71	0.75	0.79	5.20%	8.1%
Artesian Resources Corporation *	19.42	0.79	-	0.03	(19.42)	0.79	0.82	0.85	0.88	0.92	5.20%	9.1%
California Water	36.39	1.23	1.38	0.04	(36.39)	1.23	1.27	1.31	1.34	1.38	5.20%	8.3%
Connecticut Water Services *	25.01	0.93	-	0.02	(25.01)	0.93	0.95	0.96	0.98	0.99	5.20%	8.4%
Middlesex Water	18.14	0.73	0.80	0.02	(18.14)	0.73	0.75	0.77	0.78	0.80	5.20%	8.8%
SJW Corporation	22.65	0.69	0.82	0.03	(22.65)	0.69	0.72	0.76	0.79	0.82	5.20%	8.1%
York Water Company *	16.52	0.52	-	0.01	(16.52)	0.52	0.53	0.54	0.55	0.56	5.20%	7.9%
Average												8.4%
Median												8.3%

* Estimated 2016 dividend not available. Annual dividend growth (col. 5) based on historical 5 year dividend growth rate.