

## MISSOURI AMERICAN WATER COMPANY

### Estimated RoE Using Two-Stage DCF Model with Long Term GDP

<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	34.04	1.10	1.28	0.05	(34.04)	1.10	1.15	1.19	1.24	1.28	5.20%	8.2%
American Water	29.63	0.91	1.10	0.05	(29.63)	0.91	0.96	1.01	1.05	1.10	5.20%	8.2%
Aqua America	21.59	0.62	0.78	0.04	(21.59)	0.62	0.66	0.70	0.74	0.78	5.20%	8.1%
Artesian Resources Corporation *	17.91	0.79	-	0.03	(17.91)	0.79	0.82	0.85	0.88	0.92	5.20%	9.4%
California Water	17.68	0.62	0.70	0.02	(17.68)	0.62	0.64	0.66	0.68	0.70	5.20%	8.4%
Connecticut Water Services *	22.62	0.93	-	0.02	(22.62)	0.93	0.95	0.96	0.98	0.99	5.20%	8.8%
Middlesex Water	17.52	0.73	0.80	0.02	(17.52)	0.73	0.75	0.77	0.78	0.80	5.20%	8.9%
SJW Corporation	26.27	0.69	0.82	0.03	(26.27)	0.69	0.72	0.76	0.79	0.82	5.20%	7.7%
York Water Company *	16.85	0.52	-	0.01	(16.85)	0.52	0.53	0.54	0.55	0.56	5.20%	7.9%
<b>Average</b>												8.4%
<b>Median</b>												8.2%

\* Estimated 2015 dividend not available. Annual dividend growth (col. 5) based on historical 5 year dividend growth rate.