

**CREDIT METRIC ANALYSIS OF CSWR SUBSIDIARIES AFTER INVESTMENT AND RATE ADJUSTMENTS**

	Pro Forma	Last Twelve Months	2019	2018	2017	Benchmarks for Rating Assignment (Medial Volatility)		Indicated Rating based on Strong Business Risk
						Intermediate	Significant	
<u>Hillcrest:</u>								
FFO/Debt - w/taxes	NA	28.32%	28.40%	28.84%	23.99%	23% - 35%	13% - 23%	A-/BBB+
FFO/Debt - no taxes		34.21%	34.04%	34.54%	28.11%			
Debt/EBITDA	NA	2.58 x	2.59 x	2.55 x	3.06 x	2.5 - 3.5x	3.5 - 4.5x	A-/BBB+
FFO/Interest - w/taxes	NA	7.13 x	7.15 x	7.25 x	6.20 x	5 - 7.5x	3 - 5x	A-/BBB+
FFO/Interest - no taxes		8.41 x	8.37 x	8.48 x	7.09 x			
<u>Raccoon Creek:</u>								
FFO/Debt - w/taxes	NA	25.49%	23.26%	20.51%	15.68%	23% - 35%	13% - 23%	BBB
FFO/Debt - no taxes		29.15%	26.12%	22.68%	17.41%			
Debt/EBITDA	NA	2.96 x	3.66 x	3.66 x	4.54 x	2.5 - 3.5x	3.5 - 4.5x	BBB
FFO/Interest - w/taxes	NA	6.52 x	6.04 x	5.44 x	4.40 x	5 - 7.5x	3 - 5x	A-/BBB+
FFO/Interest - no taxes		7.31 x	6.66 x	5.91 x	4.77 x			
<u>Indian Hills:</u>								
FFO/Debt - w/taxes	NA	17.75%	13.76%	NM	NM	23% - 35%	13% - 23%	BBB
FFO/Debt - no taxes		19.90%	14.57%	NM	NM			
Debt/EBITDA	NA	4.08 x	5.21 x	NM	NM	2.5 - 3.5x	3.5 - 4.5x	BBB
FFO/Interest - w/taxes	NA	4.85 x	3.98 x	NM	NM	5 - 7.5x	3 - 5x	BBB
FFO/Interest - no taxes		5.31 x	4.16 x	NM	NM			

	Pro Forma	Last Twelve Months	2019	2018	2017	Benchmarks for Rating Assignment (Medial Volatility)		Indicated Rating based on Strong Business Risk
						Intermediate	Significant	
<u>Hillcrest, RC and IH Combined:</u>								
FFO/Debt - w/taxes	NA	23.04%	20.74%	NM	NM	23% - 35%	13% - 23%	BBB
FFO/Debt - no taxes		26.66%	23.48%	NM	NM			
Debt/EBITDA	NA	3.20 x	3.56 x	NM	NM	2.5 - 3.5x	3.5 - 4.5x	BBB
FFO/Interest - w/taxes	NA	5.99 x	5.49 x	NM	NM	5 - 7.5x	3 - 5x	BBB
FFO/Interest - no taxes		6.77 x	6.09 x	NM	NM			
<u>Elm Hills:</u>								
FFO/Debt - w/taxes	23.89%	NM	NM	NM	NM	23% - 35%	13% - 23%	A-/BBB+
FFO/Debt - no taxes	28.18%	NM	NM	NM	NM			
Debt/EBITDA	3.05 x	NM	NM	NM	NM	2.5 - 3.5x	3.5 - 4.5x	A-/BBB+
FFO/Interest - w/taxes	6.17 x	NM	NM	NM	NM	5 - 7.5x	3 - 5x	A-/BBB+
FFO/Interest - no taxes	7.10 x	NM	NM	NM	NM			

Sources: Elm Hills Response to OPC DR No. 3005, Hillcrest Annual Reports to the Commission, Raccoon Creek Annual Reports to the Commission, Indian Hills Annual Reports to the Commission, Elm Hills Annual Reports to the Commission, 9/9/2020 Non-Unanimous Disposition Agreement , S&P Global Ratings Corporating Ratings Methodology - 11/19/2013.

Definitions:

- EBITDA - earnings before interest, taxes, depreciation and amortization
- FFO - funds from operations (EBITDA less interest and taxes)
- NA - not available
- NM - not meaningful