

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8 - K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): December 12, 2017 (December 8, 2017)

Commission File Number 0-8084

Connecticut Water Service, Inc.
(Exact name of registrant as specified in its charter)

Connecticut
(State or other jurisdiction of
incorporation or organization)

06-0739839
(I.R.S. Employer Identification No.)

93 West Main Street, Clinton, CT
(Address of principal executive office)

06413
(Zip Code)

(860) 669-8636
(Registrant's telephone number, including area code)

Not Applicable
(Former name, address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Restricted Stock Unit Awards

On December 8, 2017, the Board of Directors (“Board”) of Connecticut Water Service, Inc. (the “Company”) approved the award of restricted stock units to six (6) officers and two other employees of the Company under Section 11 of the Company’s 2014 Performance Stock Program (the “2014 PSP”).

The awards of Restricted Stock Units (“RSUs”) entitle each participant to earn a cash payment for each RSU in an amount that is equal to the fair market value (as defined in the 2014 PSP) of a share of the Company’s common stock, on the vesting date. Each RSU award is subject to a vesting schedule whereby 100% of the awarded RSUs will vest on the third anniversary of the award date, provided that the participant remains actively employed by the Company or a subsidiary thereof on each such vesting date. The RSUs may not be settled in shares of the Company’s common stock and are subject to forfeiture as described in the form of Award Agreement and in the 2014 PSP.

The 2014 PSP was previously filed as an appendix to the Company’s definitive proxy materials dated March 28, 2014. The above summary is qualified by reference in its entirety to the Form of RSU Award Agreement, a copy of which is attached hereto as Exhibit 10.1 and is hereby incorporated by reference herein.

Item 8.01 Other Events

Maine Rate Case Proceeding

On December 12, 2017, the Company issued a press release announcing that the Maine Public Utilities Commission has approved a water rate increase for customers in the Biddeford and Saco division of The Maine Water Company. A copy of the Company’s December 12, 2017 press release is filed herewith as Exhibit 99.1 and is hereby incorporated by reference herein.

Investor Presentation

From time to time, members of senior management of the Company present information about the Company to investors, analysts and other interested parties. On December 13, 2017, the Company held its third annual investor conference call and audio webcast with investors, analysts and other interested parties at 9 a.m. ET.

During the conference call, presentations about the Company’s operations and strategies will be made by David C. Benoit, the Company’s Interim President and Chief Executive Officer, Senior Vice President-Finance and Chief Financial Officer, and Kristen A. Johnson, Vice President – Human Resources and Corporate Secretary. Such presentation material may be presented to investors in the future.

A Copy of the Company's investor presentation dated December 13, 2017 is filed herewith as Exhibit 99.1 and is hereby incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

The following documents are filed herewith as exhibits hereto:

(d) Exhibits

10.1 Form of restricted stock unit award agreement, filed herewith.

99.1 Company press release regarding Maine rate case proceeding, dated December 12, 2017, filed herewith.

99.2 Company investor presentation, dated December 13, 2017, filed herewith.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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10.1	Form of Restricted Stock Unit Award Agreement, filed herewith.
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99.1	Company press release regarding Maine rate case proceeding, dated December 12, 2017, filed herewith.
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99.2	Company investor presentation, dated December 13, 2017, filed herewith.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Connecticut Water Service, Inc.
(Registrant)

Date: December 12, 2017

By: /s/ David C. Benoit

David C. Benoit
Interim President and Chief Executive
Officer, Senior Vice President – Finance,
Chief Financial Officer and Treasurer

RESTRICTED STOCK UNIT AGREEMENT
(Under the Connecticut Water Service, Inc.
2014 Performance Stock Program)

THIS AGREEMENT, made and entered into as of the ____ day of _____, 20__ (the “ Grant Date ”) by and between CONNECTICUT WATER SERVICE, INC., a Connecticut corporation (the “ Company ”), and _____, (the “ Participant ”).

W I T N E S S E T H :

WHEREAS, the Company’s Compensation Committee of the Board of Directors (the “ Committee ”) has determined that the Participant is an eligible Employee under the Company’s 2014 Performance Stock Program (the “ Plan ”); and

WHEREAS, the Company intends to grant a restricted stock unit award (the “ Award ”) to the Participant pursuant to Section 11 of the Plan and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the parties agree as follows:

1. Capitalized Terms . All capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.
2. Restricted Stock Unit Award .

(a) Subject to the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Participant a Restricted Stock Unit Award (“ RSUs ”) which shall entitle the Participant the opportunity to earn a cash payment equal to the Fair Market Value of [NUMBER] (###) shares of the common stock of the Company, without par value (the “ Common Stock ”) in accordance with the vesting schedule established by the Committee, as set forth in Section 3 to this Agreement. This Award may not be sold, transferred, pledged, hypothecated or otherwise encumbered or disposed of in any way until paid to the Participant. The RSUs shall be subject to forfeiture as described in Section 4 of this Agreement. This Award is made in consideration of the services to be rendered by the Participant to the Company.

(b) In order to be eligible for this Award, the Participant must execute and deliver a copy of this Agreement to the Company at the Company's offices within ten (10) business days of the date on which the Participant has received this Agreement. The Participant shall not be entitled to any Award under this Agreement except in accordance with the vesting schedule set forth in Section 3. If the Participant shall fail to execute this Agreement within ten (10) days after receipt thereof from the Company, the Award made hereunder shall be null and void.

(c) The Participant shall not have any of the rights and privileges of a stockholder with respect to the shares of Common Stock underlying the RSUs (including, without limitation, the right to vote such shares or any rights to dividends).

(d) Notwithstanding the acceptance this Agreement by the Company and the Participant, as evidenced by their execution and attachment hereto of a copy thereof, the vesting schedule applicable to the Award may be adjusted as the Committee deems necessary or appropriate in the manner permitted by and subject to the Plan.

3. Vesting; Acceleration .

(a) At each Vesting Date set forth in below, and provided the Participant remains actively employed by the Company through each such Vesting Date, the Committee shall calculate the number of RSUs vested and payable hereunder.

<u># RSUs</u>	<u>Vesting Date</u>
[###]	[DATE]
[###]	[DATE]
[###]	[DATE]
[###]	[DATE]
[###]	[DATE]

(b) Notwithstanding Section 3(a) hereof, the following events shall be deemed a “Vesting Date” and the Award shall vest in full upon: (i) the Participant’s death while employed by the Company or a Subsidiary, or (ii) the Participant’s termination of employment with the Company or a Subsidiary by reason of Disability.

4. Forfeiture. If the Participant's employment with the Company or a Subsidiary is terminated for any reason at any time prior to a Vesting Date listed in Section 3, the Participant shall forfeit all RSUs that then remain unvested under this Agreement.

5. Payment of Vested RSUs. Vested RSUs will be paid within 30 days following the applicable Vesting Date, and in all events no later than March 15 of the calendar year following the year in which such Vesting Date occurs. Payment shall be equal to the number of vested RSUs multiplied by the Fair Market Value required by Section 16 of the Plan of a share of Common Stock on each such Vesting Date, less all applicable taxes and withholding. Payment shall be made in cash only; the Award may not be settled in shares of Company stock.

6. No Employment or Other Contractual Rights. Except as otherwise provided in the vesting provisions of Section 3(b) and Section 4 of this Agreement, no provision of this Agreement shall: (a) confer or be deemed to confer upon the Participant any right to continue in the employ of the Company or any Subsidiary or shall in any way affect the right of the Company or any Subsidiary to dismiss or otherwise terminate the Participant's employment at any time for any reason with or without cause, (b) be construed to impose upon the Company or any Subsidiary any liability for any forfeiture of the RSUs which may result under this Agreement if the Participant's employment is so terminated, or (c) affect the Company's right to terminate or modify any contractual relationship with the Participant.

7. Changes in Capitalization. This Agreement and the issuance of the RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceedings, whether of a similar character or otherwise.

8. No Liability for Business Acts or Omissions. The Participant recognizes and agrees that the Board or the officers, agents or employees of the Company in their conduct of the business and affairs of the Company, may cause the Company to act, or to omit to act, in a manner that may, directly or indirectly, affect the amount of or the ability of the Participant to earn the Award under this Agreement. No provision of this

Agreement shall be interpreted or construed to impose any liability upon the Company, the Board or any officer, agent or employee of the Company for any effect on the Participant's entitlement under the Award that may result, directly or indirectly, from any such action or omission.

9. Governing Law; Interpretation. The terms of this Agreement shall be governed by Connecticut law, without regard to its choice of law provisions. This Agreement shall at all times be interpreted, administered and applied in a manner consistent with the provisions of the Plan. If any of the terms or provisions of this Agreement conflict with any terms or provisions of the Plan, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of the Plan.

10. Amendment; Modification; Waiver. No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver shall be authorized by the Committee and shall be agreed to in writing by the Participant.

11. Code Section 409A. It is intended that payments under this Agreement are exempt from Internal Revenue Code Section 409A and applicable regulations and guidance (collectively, "Section 409A") under the "short term deferral" exemption of Treas. Reg. § 1.409A-1(b)(4), and this Agreement shall be interpreted and administered in accordance with such intent. However, the Company does not warrant that all payments paid or delivered under this Agreement will be exempt from, or paid in compliance with, Section 409A. The Participant understands and, for the Participant's self and beneficiaries agrees, that the Participant bears the entire risk of any adverse federal, state or local tax consequences and penalty taxes which may result from payments under this Agreement on a basis contrary to Section 409A or comparable provisions of any applicable state or local income tax laws. For purposes of Section 409A, (a) the Participant's termination of employment or words of similar import shall mean the Participant's "separation from service" under Section 409A; and (b) each payment made under this Agreement shall be a "separate payment."

12. Miscellaneous. This Agreement and any copies thereof executed by the parties, (a) contains the entire Agreement of the parties relating to the subject matter of this Agreement and supersedes any prior agreements or understandings with respect thereto and (b) shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Participant, his or her heirs, devisees and legal representatives. In the event of the Participant's death or a judicial determination of his or her incompetence, reference in this Agreement to the Participant shall be deemed to

refer to his or her legal representative, heirs or devisees, as the case may be. In the event of a conflict between the terms of this Agreement and the Plan, the terms of the Plan shall govern.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

PARTICIPANT CONNECTICUT WATER SERVICE, INC.

Dated _____ Name:

By ____
Title:

Regulators approve Maine Water’s request to begin recovery of \$5 million in infrastructure investments and increased operating expenses

New rates for Biddeford and Saco Division in effect

SACO, MAINE — Dec. 12, 2017 — The Maine Water Company (Maine Water), a subsidiary of Connecticut Water Service, Inc. (Connecticut Water), has announced that the Maine Public Utilities Commission (MPUC) has approved a water rate increase for customers of Maine Water’s Biddeford and Saco Division, which serves 16,500 customers in the communities of Biddeford, Saco, Old Orchard Beach and Scarborough.

David C. Benoit, interim president and CEO of Connecticut Water, stated, “The MPUC’s approval of the rate application filed last June reflects our long-term strategy of investing in infrastructure to improve reliability and water quality for customers, timely recovery of infrastructure investments, and being good stewards of the environment by reducing water lost to leaks and reducing the chemicals and power used to treat that water.”

Maine Water’s rate application requested an annual revenue increase of \$1.57 million to begin recovery of nearly \$5 million in water system upgrades and increased operating costs. Maine Water and the Maine Office of the Public Advocate reached an agreement that increases annual revenue by \$1.56 million. The agreement was approved by the MPUC on December 5. Concluding the case with a negotiated agreement saves the time and expense of a fully adjudicated rate case process, which ultimately benefits customers.

Richard Knowlton, president of the Maine Water operating subsidiary, commented, “Maine Water has taken a number of steps to control costs and increase operating efficiency, including consolidation of operating and customer service facilities, refinancing of debt at lower interest rates, and expanded contract services offerings to other water and wastewater systems to offset operating expenses.” He further noted, “We are fortunate to have access to capital to allow us to continue to invest in infrastructure projects so we can maintain our commitment to water quality and customer service for the families and communities we serve.”

The rate increase was effective with customer bills issued on or after December 1. The rate increase applies only to the customers of Maine Water’s Biddeford and Saco Division. The company has invested more than \$12 million in infrastructure in the Biddeford and Saco Division since it became a part of Maine Water in 2012. Some of those infrastructure costs were included in the division’s 2014 rate case or were being recovered through the water infrastructure charge (WISC), but others drove the recent rate application.

About Maine Water:

The Maine Water Company is a public water utility that currently owns 12 public water systems engaged in the collection, treatment and distribution of drinking water for homes, businesses and fire protection. Maine Water serves more than 32,000 customers, or approximately 85,000 people, in 21 communities

(More)

across Maine. Maine Water is a wholly owned subsidiary of Connecticut Water Service, Inc. (Nasdaq:CTWS).

About CTWS:

CTWS is one of the 10 largest U.S.-based publicly traded water utilities. Through its regulated utility subsidiaries, CTWS serves more than 134,000 water customers, or about 450,000 people, in 80 communities across Connecticut and Maine and more than 3,000 wastewater customers in Southbury, Connecticut.

Since January 2012, CTWS has grown its customer base by more than 45 percent, or more than 44,000 customers, primarily through large acquisitions in Maine in 2012 and of Heritage Village Water Company and Avon Water Company in Connecticut in 2017.

News media contact:

Daniel J. Meaney, APR
Director of Corporate Communications
Connecticut Water Service, Inc.
93 West Main Street, Clinton, CT 06413-1600
(860) 664-6016

This news release may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the company's results of operation, financial position and long-term strategy. These forward-looking statements are based on current information and expectations and are subject to the risks and uncertainties discussed in our filings with the Securities and Exchange Commission, which could cause the company's actual results to differ materially from expected results. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

Connecticut Water Service, Inc.

NASDAQ: CTWS



3rd Annual Investor/Analyst Presentation

December 13, 2017



Forward-Looking Statements

Except for the historical statements and discussions, some statements contained in this presentation constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on current expectations and rely on a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside our control, that could cause actual results to differ materially from such statements.

These forward-looking statements speak only as of the date of this presentation. Connecticut Water does not assume any obligation to update or revise any forward-looking statement made in this presentation or that may, from time to time, be made by or on behalf of the Company. Neither this presentation nor any verbal communication shall constitute an invitation or inducement to any person to subscribe for or otherwise acquire any Connecticut Water securities.

For further information regarding risks and uncertainties associated with Connecticut Water’s business, please refer to Connecticut Water’s annual, quarterly and periodic SEC filings which can be found on the investor relations page of the Company’s website www.ctwater.com and at www.sec.gov.

Connecticut Water

New England's Largest Publicly Traded Water Utility



Market Data

As of 11/8/17 unless otherwise noted

- **\$ 982.5 Million** Total Enterprise Value¹
- **\$ 726.8 Million** Market Capitalization
- **\$ 110.6 Million** Total Revenues LTM² (9/30/17)
 - 95% Regulated, 5% Non-Regulated
- **50.4%** 1-Year Total Shareholder Return³ (12/31/16)
- **1.9%** Dividend Yield
- **Beta of -0.11**⁴
- **S&P 'A' Rating** (reaffirmed March 2017)

Resources

As of 11/8/17 unless otherwise noted

- **450,000** People Served
- **2,300** Miles of Pipeline
- **294** Employees
- **80** Communities
- **135,000** Regulated Customers
- **\$502.5 Million** Rate Base⁵ (9/30/17)

¹ Total enterprise value is calculated as (Market Cap + Long-Term Debt (including current portion) + Preferred Stock) - Cash (Reconciliation in Appendix).

² Last Twelve Months (LTM)

³ Total Shareholder Return is the return to an investor that includes stock price change and the reinvestment of dividends over a specific period.

⁴ Beta measures the volatility of a security relative to the overall market. A beta of less than one indicates lower risk than the market; a beta of more than one indicates higher risk than the market. Source: Yahoo Finance

⁵ Rate Base value is calculated as (Net Utility Plant + Materials and Supplies + Working Capital Adjustment + certain Deferred Charges and Other Costs) – (Advances for Construction + Unamortized Contributions in Aid of Construction + Deferred Federal and State Income Taxes + Unamortized Investment Tax Credits + certain Other Long-Term Liabilities).

Connecticut Water Value Proposition

Diversified, Regulated Utility Business

- Regionally focused, regulated water utilities (96% regulated earnings LTM as of 9/30/17)
- Maine acquisitions provide diversified, multi-state utility base and greater business scale
- Constructive regulatory environment with attractive investment recovery mechanisms

Low Risk, Regulated Growth Plan

- Conservative growth strategy focused on utility infrastructure investment
- Proven track record executing accretive acquisitions
- Complementary, low-risk, non-regulated utility services business

Strong Financial Profile

- Focus on maintaining a strong balance sheet and liquidity
- "A" credit rating from S&P (as of March 2017)
- Balanced approach to financing growth and prudent operating cost management
- Consistently raised dividend payments for 48 consecutive years

Operational Excellence


- High-quality, well-maintained asset system
- Experienced management team with an average of 18 years utility experience
- $\geq 85\%$ customer satisfaction distinction in each of the last 16 years (GreatBlue – Independent Research Firm)

ConnecticutWater

NASDAQ: CTWS

www.ctwater.com

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Our Growth Strategy

- CapEx investment in water utility infrastructure and earning a return “of and on” that investment
- Constructive regulatory relations with state commissions to align customer and shareholder interests
- Prudent acquisitions of other water systems
- Supplement regulated earnings with low risk, core water utility services where a competitive advantage exists

Our Building Blocks

Shareholders/Growth

- Leverage regulatory compact
- Infrastructure investment and earning a return “of and on” investment
- Low risk, supplemental non-regulated earnings
- Maintain constructive regulatory relationships
- Deliver acquisitions that deliver shareholder value

Environment

- Passionate about stewardship and the value of water
- Protect and manage water and watershed for sustainability to serve current and future generations
- Harness power of WRA to reduce carbon footprint and resource consumption
- Business is water service – not selling water
- Reducing lost water in our systems is an executive compensation metric



Customers

- Provide high-quality water
- Responsive and courteous service
- High level of community engagement
- Deliver world-class service
- Customer satisfaction is a compensation metric for all employees

Employees

- Passionate employees delivering a life sustaining service
- Values-based, team-oriented approach
- Employee satisfaction is executive compensation metric
- Safe and secure workplace
- Invest in education and leadership development for our water professionals



NASDAQ: CTWS

www.ctwater.com

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Regulated Business

- 96% of net income attributable to regulated operations (LTM as of 9/30/17)
- Core regulated subsidiaries:
 - Connecticut Water Company (CWC)
 - Maine Water Company (MWC)
 - Heritage Village Water Company (HVWC)
 - Avon Water Company (AWC)
- 135,000 utility customers (~90% residential)
- 2,300 miles of pipe
- 250 active wells / 25 surface water supplies
- Safe, dependable yield = 185 million gallons/day
- 80% safe yield from surface water supplies
- Rate Base \$502.5MM as of 9/30/17
 - \$439.7MM in Connecticut
 - \$62.8MM in Maine
- 294 employees

Connecticut Presence



Maine Presence



Rockville Water Treatment Facility

- 'Generational' Investment in Rockville Water Treatment Facility
 - \$35MM project replaced 1970 facility
 - Capacity to meet current and future needs
 - State-of-the-art treatment
 - Increased operational efficiency and environmental benefits
 - Designed mirroring LEED¹ standards
 - Energy and water efficient treatment



¹ Leadership in Energy and Environmental Design

Regulated Model Earnings Growth

CapEX Drives Earnings

Invest in Water Plant	\$120.00
Capitalize 50% with Debt	\$60.00
Capitalize 50% with Equity (1 share of CTWS)	\$60.00
9.75% ¹ Regulatory Return on Equity (per new share of CTWS)	\$5.85
2016 Earnings per Share	\$2.12

¹ After tax return in Connecticut



NASDAQ: CTWS

www.ctwater.com

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Constructive Regulatory Environment

	Connecticut	Maine
Infrastructure Surcharge Program	✓	✓
Single Tariff	✓	
Revenue Decoupling	✓	✓ *
6-Month Rate Case	✓	
Streamlined Rate Case		✓

* A water revenue adjustment mechanism law in Maine became available to regulated water utilities in Maine on October 15, 2015. Maine Water is currently precluded from seeking new rates outside of the Biddeford and Saco division due to various agreements with the MPUC, but is evaluating how and when this new mechanism can be implemented in the future.

CTWS Acquisition Track Record

Opportunity for Growth

- Industry pacing customer growth rate of more than 45%, primarily through our Maine acquisitions
- 60+ total water system acquisitions in 25 years
 - over 40 in the past 10 years
- Over 800 separate community water systems and over 300 wastewater operations in Connecticut and Maine alone



Recently Completed Acquisitions

- Avon Water Company
 - Closed on July 1, 2017
 - \$39.1MM enterprise value
 - 4,800 water customers
 - Leadership retained
(local – well respected)



- Heritage Village Water Company
 - Closed on February 27, 2017
 - \$21.5MM enterprise value
 - 4,700 water customers
 - 3,000 wastewater customers



Maine Acquisitions



- **Aqua Maine**
 - Closed January 1, 2012
 - \$53.5MM enterprise value (100% cash consideration)
 - 16,000 Maine customers
 - Retained highly regarded local management team
- **Biddeford and Saco Water Company**
 - Closed December 10, 2012
 - \$19.8MM enterprise value (stock-for-stock consideration)
 - 15,500 Maine customers
 - Merged into Maine Water in 2014
 - November 2014 rate case settled through Stipulation Agreement in March 2015
 - 76.5% of revenue increase requested was approved
 - June 2017 rate application filed requesting \$1.57MM revenue increase
 - December 2017 decision approves \$1.56MM revenue increase effective 12/1/17
- **Rate Base of Maine acquisitions was \$62.8MM as of 9/30/17**

Territory Acquisition

- Long-term water provider for UConn and surrounding area
 - Acquired ~300 off-campus customers
 - Supplemental source of supply for growing University
 - 50 year agreement to supply UConn
 - Enables Mansfield's growth plans
- Pipeline construction completed and in service
- Locks in expanded service area



Connecticut Water Service, Inc.

Committed to ESG and Sustainability

- A 'Day of Service' for employees launched in 2016
- H₂O Hardship Assistance Program serving customers with financial challenges
- Active Employee Safety Committee
 - CT Construction Industry Association - Safety Award - 14 straight years
 - Workplace Violence Prevention Program

Social

- All Employees participate in training on ethics, conduct and cyber security
- CTWS Board of Directors recognized for exceeding gender parity
- Transparency in executive and employee compensation

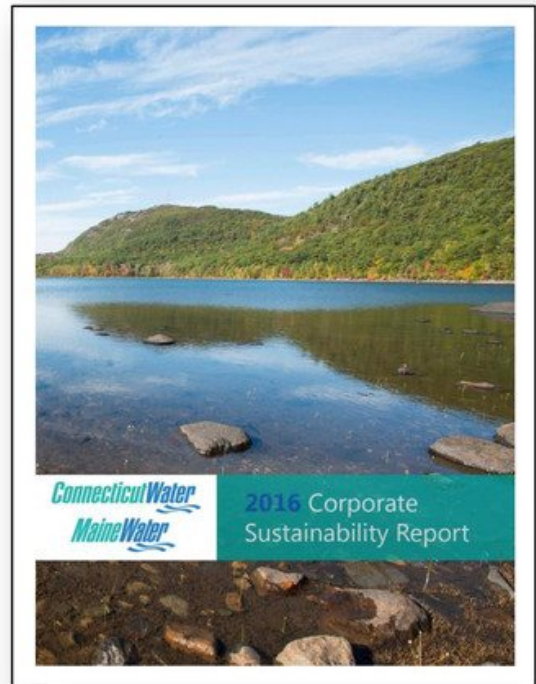
Governance

Environmental

- Water Drop Watcher Program, educating > 1,000 school age children about water conservation and the water cycle
- Partnering with Coastal Mountain Land Trust to preserve 1,400 acres and create recreation opportunities in Maine
- CT Fleet miles reduced > 25% since 2008
- Since 2001 >1,000 acres of Connecticut land protected as open space
- Employees are keeping our watersheds pristine by removing tons of trash from our watersheds >1800 lbs. per effort

2016 Corporate Sustainability Report

- Conducting our business in a way that respects the natural environment
- Values service to customers, communities, employees and shareholders
- Available for viewing and download at <http://ir.ctwater.com>



FINANCIAL OVERVIEW



Financial Management

- Maintain continuing improvement to operating margin
- Balanced capital structure
- Use tools provided by legislation
 - Maximize rate base in rates (WICA/WISC)
 - Conservation adjustment
- Drive down borrowing costs



Infrastructure Investment Drives Rate Base Growth

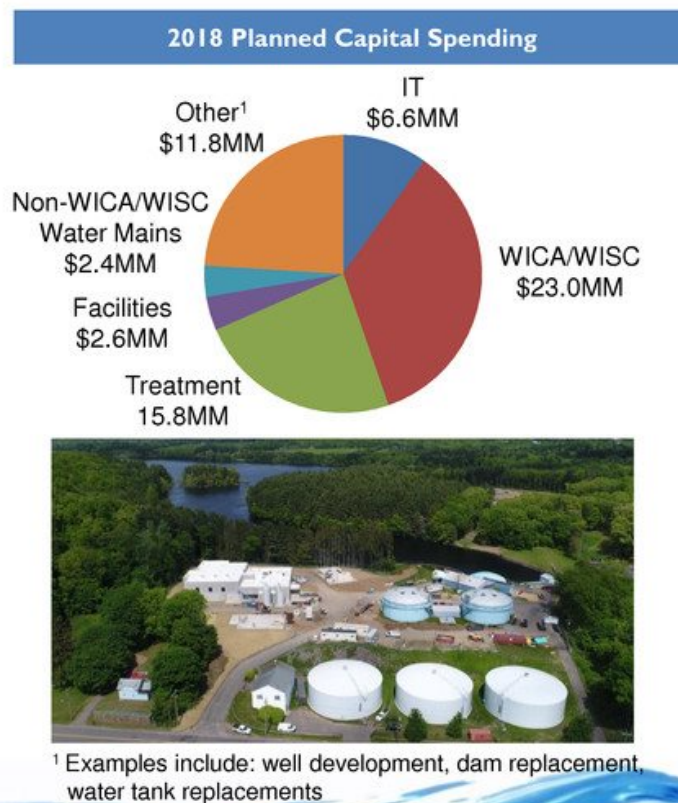
- Attractive, near-term regulated growth opportunities through investment in core infrastructure
- Strategy to balance investment and rate recovery time



¹ 2017 does not include the Heritage Village Water or Avon Water acquisitions

2018 Planned Capital Spending

- More than \$225MM of identified infrastructure investment (2018 – 2020)
- ‘Generational’ Spend on Biddeford Water Treatment Facility
 - In service since 1884



Infrastructure Recovery Mechanisms



Connecticut (WICA)

- Water Infrastructure and Conservation Adjustment
 - 1st used in 2009
- Eligibility – Infrastructure replacement, meters, hydrants, conservation equipment
- 5% annual cap
- 10% maximum adjustment
- \$16.9MM expenditures in 2016
- 1.56% increase effective 10/1/17
- Current cumulative surcharge 9.81%



Maine (WISC)

- Water Infrastructure Charge
 - 1st used in 2014
- Eligibility – Virtually all capital investment
- Annual Cap 6% to 10% depending on size of water system
- 10% to 20% maximum adjustment depending on size of water system
- \$4.1MM expenditures in 2016
- Surcharge varies by water system
- Average WISC is 6.97%

Repair Tax Facts - CTWS

- Adopted by CTWS
 - In Connecticut for 2012
 - In Maine for 2014
 - Required “flow-through” tax treatment in both states
- What it means
 - Vast majority of **annual investment in infrastructure** replacement is **immediately deductible for tax purposes**
 - The same investment **grows rate base as it always has**



Repair Tax Facts - CTWS

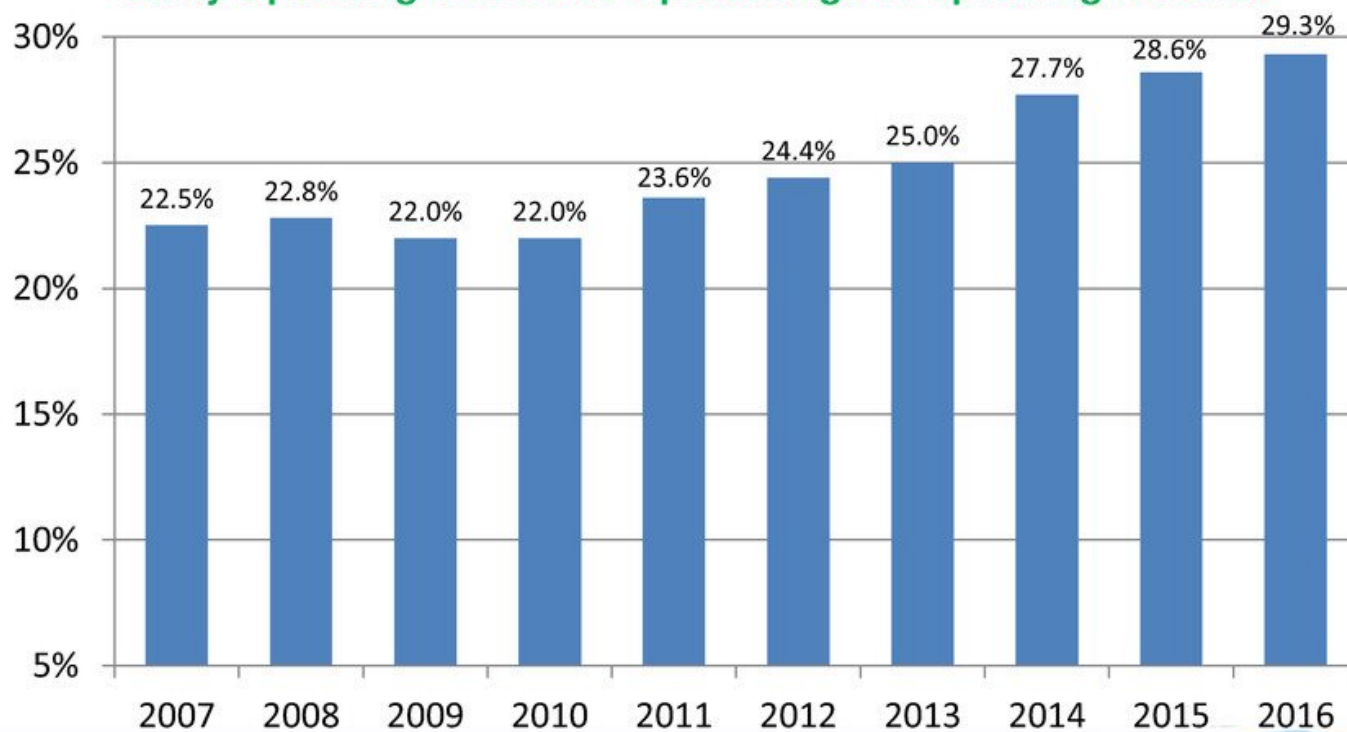
- It is **NOT temporary**. Our annual commitment to replacing **1% - 2% of our pipe will continue to generate deductions that significantly lower or eliminate annual tax expense. Single digit effective tax rate expected to be the norm.**
- **Closes rate differential with municipalities**
- **Utility Operating Margin vastly improved** due to a lower portion of each dollar collected required to support Operating Costs



Utility Operating Margin

Efficiency Measure

Utility Operating Income as a percentage of Operating Revenue



High Quality Earnings

Net Income



Earnings Per Share



¹ Last twelve months as of 9/30/17

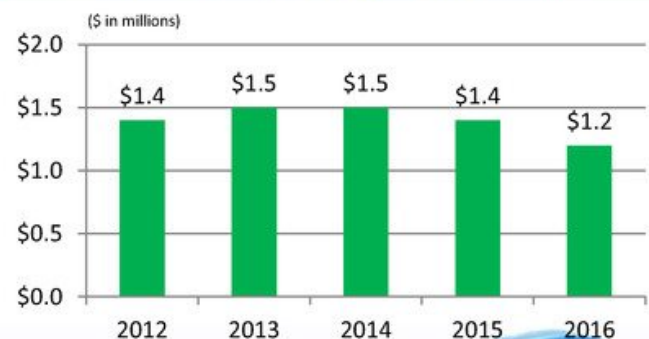
Low Risk Non-Regulated Business

- New England Water Utility Services (NEWUS) in Connecticut and Maine Water in Maine provide a variety of complementary water- and wastewater-related utility services to residential, commercial, industrial, and municipal clients
 - Contract operation of water and wastewater systems for other utilities, businesses, municipalities, and the University of Connecticut's Storrs campus, and related services (>35 client systems)
 - Linebacker® program (>21,000 residential customers enrolled)
 - Offers basic and expanded plans to include water service line, wastewater line and in-home plumbing
 - Initial expansion to non-customers in 2015

Highlights

- Complementary geographic focus (Connecticut, Maine, New Hampshire)
- Low risk, fee-based revenue
- No capital at risk

Services & Rentals Segment Net Income



Stable & Growing Dividend

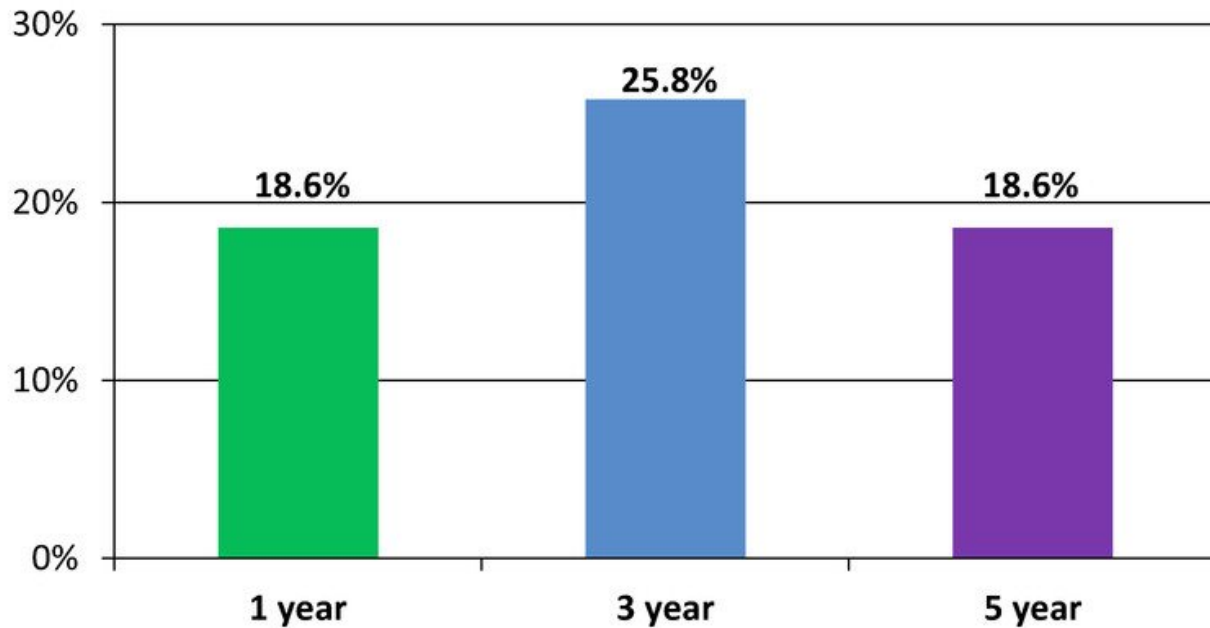
- Board increased dividend on common shares by 5.3% for second quarter 2017
- Annual dividend yield 1.9% as of 11/9/17
- Dividend paid without interruption or reduction for 245 consecutive quarters
- Increased dividend payments for 48 consecutive years
- 2016 Dividend Payout Ratio = 54%



On November 9, 2017, the Company's Board declared a quarterly cash dividend of \$0.2975 per common share payable on December 15, 2017.

Performance

*Average Annual 1, 3 & 5-Year
Total Shareholder Return @ 11/30/17*



Water, the basic ingredient of Life...



Connecticut **Water**



Appendix

***Our Vision... Serving Our Customers,
Shareholders and Employees at World
Class Levels***



Selected Financial Data

Nine Months Ended September 30, 2017

(In thousands except per share amounts)

Operating Revenues	\$82,162
Other Water Activities Revenues	1,096
Real Estate Revenues	212
Service and Rentals Revenues	3,745
Total Revenues	\$87,215
Operating Expenses	\$54,279
Other Utility Income, Net of Taxes	\$619
Total Utility Operating Income	\$28,502
Gain on Property Transactions, Net of Taxes	\$33
Non-Water Sales Earnings (Services and Rentals), Net of Taxes	\$842
Net Income	\$23,202
Net Income Applicable to Common Shareholders	\$23,173
Basic Earnings Per Average Common Share	\$2.03
Diluted Earnings Per Average Common Share	\$1.99
Basic Weighted Average Common Shares Outstanding	11,436
Diluted Weighted Average Common Shares Outstanding	11,661
Book Value Per Share	\$24.39

Condensed Balance Sheet

As of September 30, 2017

(In thousands)

ASSETS	
Net Utility Plant	\$683,738
Current Assets	47,149
Other Assets	208,489
Total Assets	\$939,376
CAPITALIZATION AND LIABILITIES	
Shareholders' Equity	\$294,405
Preferred Stock	772
Long-Term Debt	255,193
Current Liabilities	39,835
Other Liabilities and Deferred Credits	349,171
Total Capitalization and Liabilities	\$939,376

Reconciliation of Enterprise Value

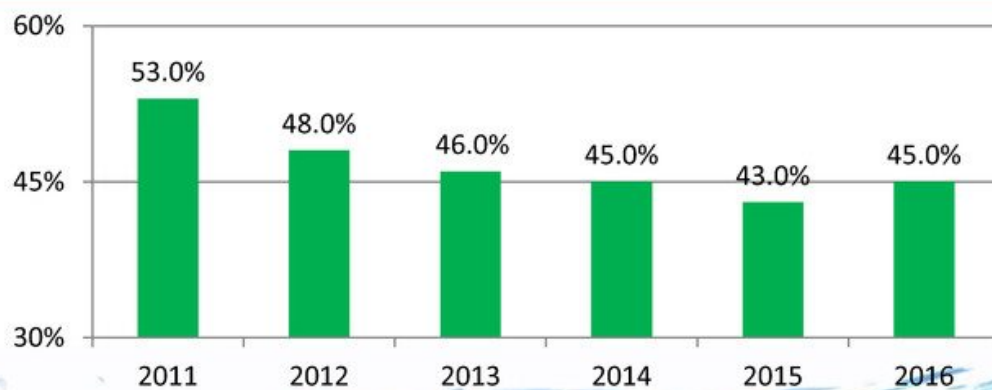
Market Capitalization 11/8/17 (Nasdaq)	\$726,819,000
+ Long-Term Debt (CTWS Form 10-Q filed (11/8/17)	255,193,000
+ Current Portion of Long-Term Debt (CTWS Form 10-Q filed 11/8/17)	7,950,000
+ Preferred Stock (CTWS Form 10-Q filed 11/8/17)	772,000
- Cash/Cash Equivalents (CTWS Form 10-Q filed 11/8/17)	- 8,274,000
Enterprise Value	\$982,460,000

Connecticut Water's annual, quarterly and periodic SEC filings which can be found on the investor relations page of the Company's website www.ctwater.com and at www.sec.gov under ticker symbol CTWS

Conservative Financial Management

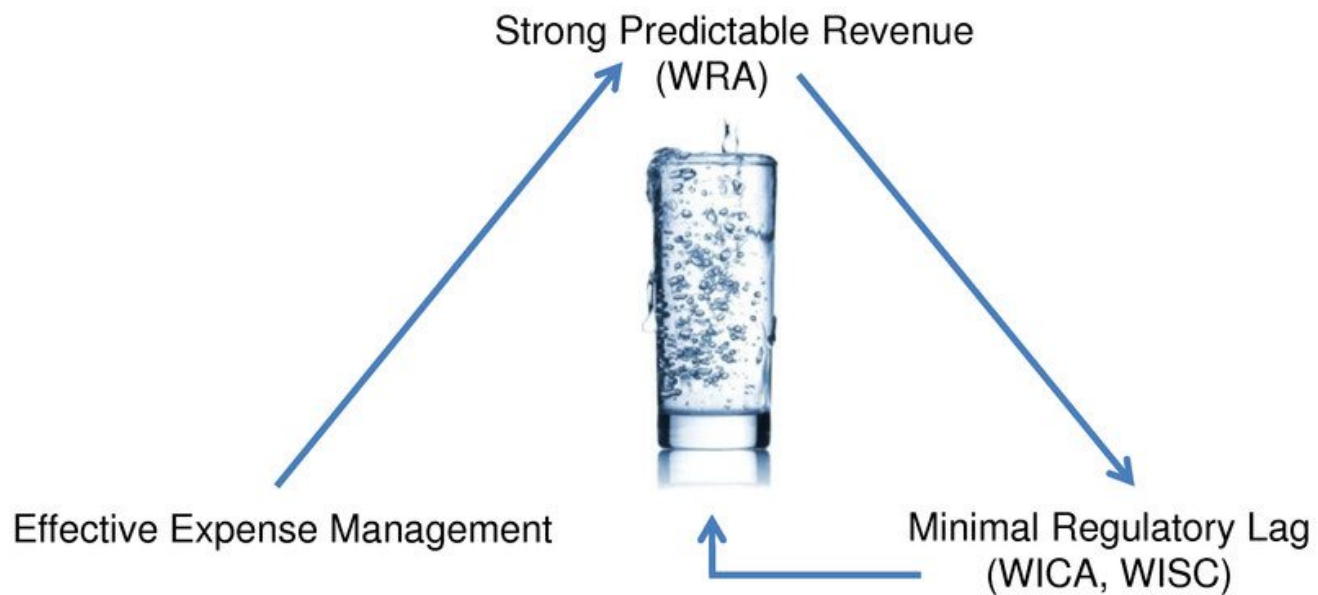
- S&P credit rating: 'A'/Stable (reaffirmed on March 2017)
- No near-term debt maturities/ equity offerings (excluding ongoing Dividend Reinvestment Plan)
- Balanced debt-equity ratio
- 70.9% Cumulative Total Shareholder Return over a 3-year period (2014 – 2016)

Long-Term Debt to Capitalization Ratio



CTWS Creates Shareholder Value

Strong Core Business *plus*
Best-in-Class Tools for Success



Customer Strategy

- National Management Innovation Award for Customer Protection Program
 - Protects customers from utility worker imposters
- Invest and maintain infrastructure to deliver high-quality water and reliable service
- Assistance Programs for low income/hardship
- Responsive and Courteous Service
- Leverage technology to drive convenience and efficiency
- Customer Satisfaction!
 - World-Class 16 straight years



Employee Strategy

- Leadership is a privilege
- Values-based
- Team & service oriented professionals
- “Satisfied Employees Satisfy Customers”
- Employee Satisfaction
 - Executive compensation metric



Environmental Strategy

- Leverage CT's Water Revenue Adjustment (WRA) to promote water conservation
- Donate/sell unneeded land as protected open space
- Replace aging pipe, valves and pumps to conserve natural resources
- Aggressively manage energy usage
- Invest in and protect watershed lands



Repair Tax Facts - CTWS

- **Cash flow improvement allows for increased capital investment with less reliance on financing**
- **We are replacing Operating Expense with Capital Expense** (Virtually tripling from 2011 to 2016)
- **Customers and Regulators will realize the benefits** in the form of manageable increases despite level of capital investment



Constructive Regulatory Environments



CT Public Utilities Regulatory Authority

- 6-month regulatory timeline
- Water Infrastructure and Conservation Adjustment (WICA)
 - Expanded in 2013
- Water Revenue Adjustment enacted in 2013
- Single Tariff
- Allowed ROE: 9.75% to 10.1%

J. Betkoski, PURA Vice Chair, 'NARUC'
Water Committee



ME Public Utilities Commission

- Streamlined rate approach
- Virtually all cases "Settled"
- Water Infrastructure Surcharge (WISC)
 - Nearly all plant eligible
- Water Revenue Adjustment enacted in 2015¹
- Allowed ROE = 9.5% to 10%

M. Vannoy, MPUC Chair, 'NARUC'
Water Committee

¹ A water revenue adjustment law in Maine became effective October 15, 2015. With rate stay outs in most of its regulatory divisions as part of the repair tax dockets, Maine Water is now evaluating how and when this new mechanism can be implemented.

