

## **A.11-05-001 (Cost of Capital)**

### **MJV Tables and Workpapers**

**(Marked for identification as a Cal Water exhibit  
during the October 17, 2011 Evidentiary Hearing)**

Table No. MJV-1

Index to Water Sample Tables for the Written Evidence of Michael J. Vilbert

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Table No. MJV-2  
Water Utility Sample  
Classification of Companies by Assets

Company	Company Category
California Water Service Group	R
Connecticut Water Service Inc	R
Middlesex Water Co	R
Aqua America Inc	R
SJW Corp	R
American States Water Co	R
York Water Co	R
American Water Works Co Inc	R

Sources and Notes:

Workpaper #1 to Table No. MJV-2, Panels A-H.

R = Regulated (greater than 80 percent of total assets are regulated).

MR = Mostly Regulated (50 to 80 percent of total assets are regulated).

D = Diversified (less than 50 percent of total assets are regulated).

Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel A: California Water Service Group (\$MM)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	269,473	99.2%
Total	[2]	271,599	

Sources and Notes:

[1]-[2]: California Water Service Group's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel B: Connecticut Water Service Inc (\$MM)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	421,821	99.2%
Total	[2]	425,211	

Sources and Notes:

[1]-[2]: Connecticut Water Service Inc's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel C: Middlesex Water Co (\$MM)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	486,918	98.4%
Total	[2]	495,034	

Sources and Notes:

[1]-[2]: Middlesex Water Co's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel D: Aqua America Inc (\$MM)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	3,991,493	98.0%
Total	[2]	4,072,466	

Sources and Notes:

[1]-[2]: Aqua America Inc's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel E: SJW Corp (\$MM)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	844,364	90.3%
Total	[2]	935,362	

Sources and Notes:

[1]-[2]: SJW Corp's 2010 Form 10-K.



Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel F: American States Water Co (\$MM)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	851,367	99.6%
Total	[2]	854,956	

Sources and Notes:

[1]-[2]: American States Water Co's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel G: York Water Co (\$MM)

	2010	% of Total Assets
Assets Attributed to Utility [1]		100.0%
Total [2]		

Sources and Notes:

[1]-[2]: York Water Co's 2010 Form 10-K, p. 2.

Workpaper #1 to Table No. MJV-2  
Water Utility Sample: Breakdown of Assets  
Panel H: American Water Works Co Inc (\$MM)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	12,275,280	87.2%
Total	[2]	14,079,773	

Sources and Notes:

[1]-[2]: American Water Works Co Inc's 2010 Form 10-K.

Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel A: California Water Service Group  
(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$436	\$436	\$421	\$403	\$386	\$378	[a]
Shares Outstanding (in millions) - Common	21	21	21	21	21	21	[b]
Price per Share - Common	\$36	\$37.71	\$37.21	\$43	\$38	\$40	[c]
Market Value of Common Equity	\$743	\$786	\$773	\$897	\$788	\$834	[d] = [b] × [c].
Market to Book Value of Common Equity	1.71	1.80	1.84	2.23	2.04	2.20	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$3	\$3	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$3	\$3	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$126	\$126	\$92	\$80	\$60	\$110	[h]
Current Liabilities	\$107	\$107	\$110	\$123	\$70	\$70	[i]
Current Portion of Long-Term Debt	\$2	\$2	\$13	\$3	\$3	\$2	[j]
Net Working Capital	\$21	\$21	(\$5)	(\$41)	(\$7)	\$41	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$24	\$24	\$12	\$40	\$0	\$0	[l]
Adjusted Short-Term Debt	\$0	\$0	\$5	\$40	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$479	\$479	\$374	\$287	\$289	\$292	[n]
Book Value of Long-Term Debt	\$482	\$482	\$392	\$330	\$292	\$294	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$57	\$57	(\$7)	\$3	\$69	\$24	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$539	\$539	\$385	\$333	\$361	\$318	[q] = [p] + [o].
Market Value of Debt	\$539	\$539	\$385	\$333	\$361	\$318	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$1,282	\$1,325	\$1,158	\$1,231	\$1,152	\$1,155	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	57.95%	59.31%	66.72%	72.92%	68.37%	72.19%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	-	-	-	-	0.30%	0.30%	[u] = [g] / [s].
Debt - Market Value Ratio	42.05%	40.69%	33.28%	27.08%	31.33%	27.51%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2006 - 2010 10-K.

Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel B: Connecticut Water Service Inc  
(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$113	\$113	\$109	\$103	\$100	\$96	[a]
Shares Outstanding (in millions) - Common	9	9	9	8	8	8	[b]
Price per Share - Common	\$25	\$27.13	\$24.82	\$23	\$24	\$23	[c]
Market Value of Common Equity	\$216	\$235	\$213	\$199	\$200	\$188	[d] = [b] x [c].
Market to Book Value of Common Equity	1.91	2.08	1.96	1.92	2.00	1.96	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$1	\$1	\$1	\$1	\$1	\$1	[f]
Market Value of Preferred Equity	\$1	\$1	\$1	\$1	\$1	\$1	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$20	\$20	\$20	\$16	\$23	\$14	[h]
Current Liabilities	\$35	\$35	\$33	\$19	\$15	\$13	[i]
Current Portion of Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	[j]
Net Working Capital	(\$15)	(\$15)	(\$13)	(\$3)	\$8	\$1	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$26	\$26	\$25	\$12	\$6	\$5	[l]
Adjusted Short-Term Debt	\$15	\$15	\$13	\$3	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$112	\$112	\$112	\$92	\$92	\$77	[n]
Book Value of Long-Term Debt	\$126	\$126	\$125	\$96	\$92	\$77	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	(\$6)	(\$6)	(\$1)	(\$15)	(\$1)	\$1	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$120	\$120	\$124	\$81	\$91	\$79	[q] = [p] + [o].
Market Value of Debt	\$120	\$120	\$124	\$81	\$91	\$79	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$337	\$357	\$337	\$280	\$292	\$268	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	64.04%	66.02%	63.12%	70.98%	68.50%	70.34%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.23%	0.22%	0.23%	0.28%	0.26%	0.29%	[u] = [g] / [s].
Debt - Market Value Ratio	35.73%	33.77%	36.65%	28.74%	31.24%	29.37%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2006 - 2010 10-K.

Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel C: Middlesex Water Co  
(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$173	\$173	\$140	\$138	\$133	\$129	[a]
Shares Outstanding (in millions) - Common	16	16	14	13	13	13	[b]
Price per Share - Common	\$18	\$18.70	\$17.04	\$17	\$19	\$19	[c]
Market Value of Common Equity	\$284	\$291	\$230	\$226	\$250	\$245	[d] = [b] x [c].
Market to Book Value of Common Equity	1.64	1.68	1.65	1.64	1.88	1.90	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$3	\$3	\$3	\$3	\$4	\$4	[f]
Market Value of Preferred Equity	\$3	\$3	\$3	\$3	\$4	\$4	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$23	\$23	\$22	\$21	\$17	\$21	[h]
Current Liabilities	\$41	\$41	\$61	\$61	\$27	\$18	[i]
Current Portion of Long-Term Debt	\$4	\$4	\$4	\$18	\$3	\$3	[j]
Net Working Capital	(\$14)	(\$14)	(\$35)	(\$23)	(\$7)	\$5	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$17	\$17	\$43	\$26	\$6	\$0	[l]
Adjusted Short-Term Debt	\$14	\$14	\$35	\$23	\$6	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$134	\$134	\$125	\$118	\$132	\$131	[n]
Book Value of Long-Term Debt	\$152	\$152	\$164	\$159	\$141	\$133	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	(\$4)	(\$4)	(\$3)	(\$10)	\$1	\$2	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$148	\$148	\$161	\$149	\$142	\$135	[q] = [p] + [o].
Market Value of Debt	\$148	\$148	\$161	\$149	\$142	\$135	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$436	\$443	\$394	\$378	\$396	\$385	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	65.20%	65.76%	58.39%	59.74%	63.14%	63.81%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.77%	0.76%	0.86%	0.89%	1.00%	1.03%	[u] = [g] / [s].
Debt - Market Value Ratio	34.03%	33.48%	40.75%	39.37%	35.86%	35.16%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2006 - 2010 10-K.

Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel D: Aqua America Inc  
(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$1,174	\$1,174	\$1,109	\$1,058	\$976	\$922	[a]
Shares Outstanding (in millions) - Common	138	138	136	135	133	132	[b]
Price per Share - Common	\$23	\$22.32	\$17.44	\$20	\$22	\$23	[c]
Market Value of Common Equity	\$3,121	\$3,076	\$2,380	\$2,669	\$2,903	\$3,097	[d] = [b] x [c].
Market to Book Value of Common Equity	2.66	2.62	2.15	2.52	2.97	3.36	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$145	\$145	\$122	\$121	\$116	\$135	[h]
Current Liabilities	\$224	\$224	\$201	\$193	\$183	\$256	[i]
Current Portion of Long-Term Debt	\$28	\$28	\$60	\$7	\$24	\$31	[j]
Net Working Capital	(\$50)	(\$50)	(\$20)	(\$65)	(\$44)	(\$90)	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$90	\$90	\$27	\$81	\$57	\$119	[l]
Adjusted Short-Term Debt	\$50	\$50	\$20	\$65	\$44	\$90	[m] = See Sources and Notes.
Long-Term Debt	\$1,532	\$1,532	\$1,387	\$1,248	\$1,215	\$952	[n]
Book Value of Long-Term Debt	\$1,610	\$1,610	\$1,466	\$1,320	\$1,283	\$1,073	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	(\$77)	(\$77)	(\$130)	(\$64)	(\$8)	\$4	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$1,533	\$1,533	\$1,336	\$1,257	\$1,275	\$1,076	[q] = [p] + [o].
Market Value of Debt	\$1,533	\$1,533	\$1,336	\$1,257	\$1,275	\$1,076	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$4,654	\$4,609	\$3,716	\$3,926	\$4,177	\$4,173	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	67.06%	66.74%	64.05%	67.99%	69.49%	74.21%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	-	-	-	-	-	-	[u] = [g] / [s].
Debt - Market Value Ratio	32.94%	33.26%	35.95%	32.01%	30.51%	25.79%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2006 - 2010 10-K.

Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel E: SJW Corp  
(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$255	\$255	\$253	\$254	\$237	\$228	[a]
Shares Outstanding (in millions) - Common	19	19	18	18	18	18	[b]
Price per Share - Common	\$24	\$26.73	\$22.30	\$27	\$35	\$36	[c]
Market Value of Common Equity	\$450	\$496	\$412	\$507	\$642	\$667	[d] = [b] x [c].
Market to Book Value of Common Equity	1.77	1.94	1.63	1.99	2.71	2.92	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$38	\$38	\$28	\$32	\$32	\$60	[h]
Current Liabilities	\$29	\$29	\$32	\$43	\$33	\$38	[i]
Current Portion of Long-Term Debt	\$1	\$1	\$1	\$1	\$1	\$0	[j]
Net Working Capital	\$10	\$10	(\$3)	(\$11)	(\$1)	\$23	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$4	\$4	\$6	\$18	\$5	\$16	[l]
Adjusted Short-Term Debt	\$0	\$0	\$3	\$11	\$1	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$296	\$296	\$247	\$217	\$216	\$164	[n]
Book Value of Long-Term Debt	\$297	\$297	\$251	\$228	\$218	\$164	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$48	\$48	\$39	(\$10)	\$22	(\$23)	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$345	\$345	\$290	\$218	\$239	\$141	[q] = [p] + [o].
Market Value of Debt	\$345	\$345	\$290	\$218	\$239	\$141	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$796	\$841	\$703	\$725	\$882	\$808	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	56.60%	58.96%	58.70%	69.89%	72.85%	82.55%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	-	-	-	-	-	-	[u] = [g] / [s].
Debt - Market Value Ratio	43.40%	41.04%	41.30%	30.11%	27.15%	17.45%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2006 - 2010 10-K.



Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel F: American States Water Co  
(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$378	\$378	\$359	\$311	\$302	\$284	[a]
Shares Outstanding (in millions) - Common	19	19	19	17	17	17	[b]
Price per Share - Common	\$34	\$34.76	\$35.26	\$31	\$41	\$38	[c]
Market Value of Common Equity	\$627	\$647	\$653	\$544	\$699	\$652	[d] = [b] x [c].
Market to Book Value of Common Equity	1.66	1.71	1.82	1.75	2.31	2.30	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$205	\$205	\$145	\$91	\$63	\$64	[h]
Current Liabilities	\$179	\$179	\$126	\$137	\$94	\$86	[i]
Current Portion of Long-Term Debt	\$0	\$0	\$0	\$1	\$1	\$1	[j]
Net Working Capital	\$27	\$27	\$19	(\$46)	(\$31)	(\$21)	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$61	\$61	\$17	\$75	\$37	\$32	[l]
Adjusted Short-Term Debt	\$0	\$0	\$0	\$46	\$31	\$21	[m] = See Sources and Notes.
Long-Term Debt	\$300	\$300	\$300	\$267	\$267	\$268	[n]
Book Value of Long-Term Debt	\$300	\$300	\$301	\$313	\$298	\$289	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$35	\$35	\$40	\$43	\$32	\$38	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$335	\$335	\$341	\$356	\$331	\$327	[q] = [p] + [o].
Market Value of Debt	\$335	\$335	\$341	\$356	\$331	\$327	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$963	\$983	\$994	\$900	\$1,030	\$979	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	65.17%	65.88%	65.70%	60.41%	67.87%	66.60%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	-	-	-	-	-	-	[u] = [g] / [s].
Debt - Market Value Ratio	34.83%	34.12%	34.30%	39.59%	32.13%	33.40%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2006 - 2010 10-K.

Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel G: York Water Co  
(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$91	\$91	\$87	\$70	\$67	\$65	[a]
Shares Outstanding (in millions) - Common	13	13	13	11	11	11	[b]
Price per Share - Common	\$17	\$17.56	\$14.61	\$12	\$16	\$18	[c]
Market Value of Common Equity	\$212	\$223	\$183	\$133	\$178	\$202	[d] = [b] x [c].
Market to Book Value of Common Equity	2.32	2.44	2.11	1.90	2.65	3.08	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$9	\$9	\$7	\$7	\$7	\$7	[h]
Current Liabilities	\$5	\$5	\$15	\$14	\$21	\$6	[i]
Current Portion of Long-Term Debt	\$0	\$0	\$4	\$3	\$12	\$1	[j]
Net Working Capital	\$4	\$4	(\$3)	(\$4)	(\$3)	\$2	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$0	\$0	\$5	\$6	\$3	\$0	[l]
Adjusted Short-Term Debt	\$0	\$0	\$3	\$4	\$3	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$85	\$85	\$73	\$84	\$58	\$61	[n]
Book Value of Long-Term Debt	\$85	\$85	\$81	\$90	\$73	\$62	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$9	\$9	\$13	\$3	\$9	\$8	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$94	\$94	\$94	\$93	\$83	\$70	[q] = [p] + [o].
Market Value of Debt	\$94	\$94	\$94	\$93	\$83	\$70	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$306	\$317	\$278	\$226	\$261	\$272	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	69.24%	70.33%	66.09%	58.79%	68.36%	74.22%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	-	-	-	-	-	-	[u] = [g] / [s].
Debt - Market Value Ratio	30.76%	29.67%	33.91%	41.21%	31.64%	25.78%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2006 - 2010 10-K.

Table No. MJV-3  
Market Value of the Water Utility Sample  
Panel H: American Water Works Co Inc  
(SMM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>					
Book Value, Common Shareholder's Equity	\$4,128	\$4,128	\$4,001	\$4,102	[a]
Shares Outstanding (in millions) - Common	175	175	175	160	[b]
Price per Share - Common	\$28	\$25.25	\$22.30	\$21	[c]
Market Value of Common Equity	\$4,831	\$4,419	\$3,895	\$3,376	[d] = [b] x [c].
Market to Book Value of Common Equity	1.17	1.07	0.97	0.82	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>					
Book Value of Preferred Equity	\$28	\$28	\$29	\$29	[f]
Market Value of Preferred Equity	\$28	\$28	\$29	\$29	[g] = [f].
<b>MARKET VALUE OF DEBT</b>					
Current Assets	\$534	\$534	\$499	\$418	[h]
Current Liabilities	\$775	\$775	\$607	\$1,105	[i]
Current Portion of Long-Term Debt	\$45	\$45	\$54	\$176	[j]
Net Working Capital	(\$195)	(\$195)	(\$54)	(\$511)	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$230	\$230	\$119	\$479	[l]
Adjusted Short-Term Debt	\$195	\$195	\$54	\$479	[m] = See Sources and Notes.
Long-Term Debt	\$5,410	\$5,410	\$5,288	\$4,624	[n]
Book Value of Long-Term Debt	\$5,650	\$5,650	\$5,396	\$5,279	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$418	\$418	\$297	(\$368)	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$6,069	\$6,069	\$5,693	\$4,911	[q] = [p] + [o].
Market Value of Debt	\$6,069	\$6,069	\$5,693	\$4,911	[r] = [q].
<b>MARKET VALUE OF FIRM</b>					
	\$10,927	\$10,515	\$9,617	\$8,316	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>					
Common Equity - Market Value Ratio	44.21%	42.02%	40.50%	40.60%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.25%	0.26%	0.30%	0.35%	[u] = [g] / [s].
Debt - Market Value Ratio	55.54%	57.71%	59.20%	59.06%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-6.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from 2008 - 2010 10-K.

Table No. MJV-4  
Water Utility Sample  
Capital Structure Summary

Company	DCF Capital Structure			5-Year Average Capital Structure		
	Common Equity - Value Ratio	Preferred Equity - Value Ratio	Debt - Value Ratio	Common Equity - Value Ratio	Preferred Equity - Value Ratio	Debt - Value Ratio
	[1]	[2]	[3]	[4]	[5]	[6]
California Water Service Group	0.58	0.00	0.42	0.68	0.00	0.32
Connecticut Water Service Inc	0.64	0.00	0.36	0.68	0.00	0.32
Middlesex Water Co	0.65	0.01	0.34	0.62	0.01	0.37
Aqua America Inc	0.67	0.00	0.33	0.68	0.00	0.32
SJW Corp	0.57	0.00	0.43	0.69	0.00	0.31
American States Water Co	0.65	0.00	0.35	0.65	0.00	0.35
York Water Co	0.69	0.00	0.31	0.68	0.00	0.32
American Water Works Co Inc	0.44	0.00	0.56	0.41	0.00	0.59
Average	0.61	0.00	0.39	0.64	0.00	0.36

Sources and Notes:

[1], [4]: Workpaper #1 to Table No. MJV-4.

[2], [5]: Workpaper #2 to Table No. MJV-4.

[3], [6]: Workpaper #3 to Table No. MJV-4.

Values in this table may not add up exactly to 1.0 because of rounding.

Workpaper #1 to Table No. MJV-4

Water Utility Sample

Calculation of the Average Common Equity - Market Value Ratio

Company	DCF Capital Structure [1]	Year End, 2010 [2]	2009 [3]	2008 [4]	2007 [5]	2006 [6]	5-Year Average [7]
California Water Service Group	0.58	0.59	0.67	0.73	0.68	0.72	0.68
Connecticut Water Service Inc	0.64	0.66	0.63	0.71	0.68	0.70	0.68
Middlesex Water Co	0.65	0.66	0.58	0.60	0.63	0.64	0.62
Aqua America Inc	0.67	0.67	0.64	0.68	0.69	0.74	0.68
SJW Corp	0.57	0.59	0.59	0.70	0.73	0.83	0.69
American States Water Co	0.65	0.66	0.66	0.60	0.68	0.67	0.65
York Water Co	0.69	0.70	0.66	0.59	0.68	0.74	0.68
American Water Works Co Inc	0.44	0.42	0.41	0.41	n/a	n/a	0.41

Sources and Notes:

[1] - [6]: Table No. MJV-3; Panels A - H, [t].

[7]:  $\{ ([2] + [3] + [4] + [5] + [6]) / 5 \}$ . For American Water Works, the average is a 3-year average.

Workpaper #2 to Table No. MJV-4

Water Utility Sample

Calculation of the Average Preferred Equity - Market Value Ratio

Company	DCF Capital Structure [1]	Year End, 2010 [2]	2009 [3]	2008 [4]	2007 [5]	2006 [6]	5-Year Average [7]
California Water Service Group	-	-	-	-	0.00	0.00	0.00
Connecticut Water Service Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Middlesex Water Co	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Aqua America Inc	-	-	-	-	-	-	0.00
SJW Corp	-	-	-	-	-	-	0.00
American States Water Co	-	-	-	-	-	-	0.00
York Water Co	-	-	-	-	-	-	0.00
American Water Works Co Inc	0.00	0.00	0.00	0.00	n/a	n/a	0.00

Sources and Notes:

[1] - [6]: Table No. MJV-3; Panels A - H, [u].

[7]:  $\{ ([2] + [3] + [4] + [5] + [6]) / 5 \}$ . For American Water Works, the average is a 3-year average.

Workpaper #3 to Table No. MJV-4

Water Utility Sample

Calculation of the Average Debt - Market Value Ratio

Company	DCF Capital Structure [1]	Year End, 2010 [2]	2009 [3]	2008 [4]	2007 [5]	2006 [6]	5-Year Average [7]
California Water Service Group	0.42	0.41	0.33	0.27	0.31	0.28	0.32
Connecticut Water Service Inc	0.36	0.34	0.37	0.29	0.31	0.29	0.32
Middlesex Water Co	0.34	0.33	0.41	0.39	0.36	0.35	0.37
Aqua America Inc	0.33	0.33	0.36	0.32	0.31	0.26	0.32
SJW Corp	0.43	0.41	0.41	0.30	0.27	0.17	0.31
American States Water Co	0.35	0.34	0.34	0.40	0.32	0.33	0.35
York Water Co	0.31	0.30	0.34	0.41	0.32	0.26	0.32
American Water Works Co Inc	0.56	0.58	0.59	0.59	n/a	n/a	0.59

Sources and Notes:

[1] - [6]: Table No. MJV-3; Panels A - H, [v].

[7]:  $\{ ([2] + [3] + [4] + [5] + [6]) / 5 \}$ . For American Water Works, the average is a 3-year average.

Table No. MJV-5  
Water Utility Sample

Combined Bloomberg Estimated and Value Line Estimated Growth Rates

Company	Bloomberg Estimate		Value Line			Combined BEst and Value Line Growth Rate
	BEst Long-Term Growth Rate	Number of Estimates	EPS Year 2010 Estimate	EPS Year 2013 - 2015 Estimate*	Annualized Growth Rate	
	[1]	[2]	[3]	[4]	[5]	
California Water Service Group	4.0%	1	\$1.93	\$2.65	8.2%	6.1%
Connecticut Water Service Inc*	3.0%	1	\$1.20	\$1.19	-0.8%	1.1%
Middlesex Water Co*	3.0%	1	\$0.94	\$0.95	1.1%	2.0%
Aqua America Inc	6.5%	2	\$0.90	\$1.15	6.3%	6.4%
SJW Corp*	10.8%	2	\$0.98	\$1.05	7.1%	9.5%
American States Water Co	4.0%	1	\$2.33	\$2.70	3.8%	3.9%
York Water Co*	4.0%	1	\$0.71	\$0.76	7.0%	5.5%
American Water Works Co Inc	12.0%	5	\$1.57	\$2.00	6.2%	11.1%

Sources and Notes:

[1] - [2]: Bloomberg as of March 10, 2011.

[3] - [4]: Most recent Value Line Plus Edition, dated January 21, 2011.

[5]:  $([4] / [3])^{(1/4)} - 1$ .

[6]:  $([1] \times [2] + [5]) / ([2] + 1)$ .

\*Value Line future EPS estimate for Connecticut Water Service Inc, Middlesex Water Co, SJW Corp and York Water Co is for 2011 instead of 2013 - 2015. Therefore the annualized growth rate is annualized for 1 year as opposed to 4.



Table No. MJV-6  
DCF Cost of Equity of the Water Utility Sample  
Panel A: Simple DCF Method (Quarterly)

Company	Stock Price [1]	Most Recent Dividend [2]	Quarterly Dividend Yield [3]	Combined BEst and Value Line Long-Term Growth Rate [4]	Quarterly Growth Rate [5]	DCF Cost of Equity [6]
California Water Service Group	\$35.66	\$0.31	0.86%	6.1%	1.5%	9.8%
Connecticut Water Service Inc	\$24.87	\$0.23	0.93%	1.1%	0.3%	4.9%
Middlesex Water Co	\$18.24	\$0.18	1.00%	2.0%	0.5%	6.2%
Aqua America Inc	\$22.65	\$0.16	0.68%	6.4%	1.6%	9.4%
SJW Corp	\$24.27	\$0.17	0.71%	9.5%	2.3%	12.7%
American States Water Co	\$33.69	\$0.26	0.77%	3.9%	1.0%	7.1%
York Water Co	\$16.67	\$0.13	0.79%	5.5%	1.4%	8.9%
American Water Works Co Inc	\$27.60	\$0.22	0.80%	11.1%	2.7%	14.6%

Sources and Notes:

[1]: Workpaper #1 to Table No. MJV-6.

[2]: Workpaper #2 to Table No. MJV-6.

[3]: [2] / [1].

[4]: Table No. MJV-5, [6].

[5]:  $\{(1 + [4])^{(1/4)}\} - 1$ .

[6]:  $\{((2) / [1]) \times (1 + [5]) + [5] + 1\}^4 - 1$ .

Table No. MJV-6

## DCF Cost of Equity of the Water Utility Sample

## Panel B: Multi-Stage DCF (Using Blue Chip Long-Term GDP Growth Forecast as the Perpetual Rate)

Company	Stock Price [1]	Most Recent Dividend [2]	Combined BEst and <i>Value Line</i> Long-Term					GDP Long-			DCF Cost of Equity [10]
			Growth Rate [3]	Growth Rate: Year 6 [4]	Growth Rate: Year 7 [5]	Growth Rate: Year 8 [6]	Growth Rate: Year 9 [7]	Growth Rate: Year 10 [8]	Term Growth Rate [9]		
California Water Service Group	\$35.66	\$0.31	6.1%	5.9%	5.6%	5.4%	5.2%	4.9%	4.7%	8.7%	
Connecticut Water Service Inc	\$24.87	\$0.23	1.1%	1.7%	2.3%	2.9%	3.5%	4.1%	4.7%	7.8%	
Middlesex Water Co	\$18.24	\$0.18	2.0%	2.5%	2.9%	3.4%	3.8%	4.3%	4.7%	8.3%	
Aqua America Inc	\$22.65	\$0.16	6.4%	6.1%	5.9%	5.6%	5.3%	5.0%	4.7%	7.9%	
SJW Corp	\$24.27	\$0.17	9.5%	8.7%	7.9%	7.1%	6.3%	5.5%	4.7%	8.8%	
American States Water Co	\$33.69	\$0.26	3.9%	4.0%	4.2%	4.3%	4.4%	4.6%	4.7%	7.8%	
York Water Co	\$16.67	\$0.13	5.5%	5.4%	5.2%	5.1%	5.0%	4.8%	4.7%	8.2%	
American Water Works Co Inc	\$27.60	\$0.22	11.1%	10.0%	8.9%	7.9%	6.8%	5.8%	4.7%	9.7%	

## Sources and Notes:

[1]: Workpaper #1 to Table No. MJV-6.

[2]: Workpaper #2 to Table No. MJV-6.

[3]: Table No. MJV-5, [6].

[4]: [3] -  $\{([3] - [9]) / 6\}$ .[5]: [4] -  $\{([3] - [9]) / 6\}$ .[6]: [5] -  $\{([3] - [9]) / 6\}$ .[7]: [6] -  $\{([3] - [9]) / 6\}$ .[8]: [7] -  $\{([3] - [9]) / 6\}$ .

[9]: Blue Chip Economic Indicators published March 10, 2011. This number is assumed to be the perpetual growth rate. (See Appendix D).

[10]: Workpaper #3 to Table No. MJV-6.

Workpaper #1 to Table No. MJV-6

Water Utility Sample

Common Stock Prices from February 17, 2011 to March 10, 2011

Company	3/10/2011	3/9/2011	3/8/2011	3/7/2011	3/4/2011	3/3/2011	3/2/2011	3/1/2011	2/28/2011	2/25/2011	2/24/2011	2/23/2011	2/22/2011	2/18/2011	2/17/2011	Average
California Water Service Group	\$35.04	\$35.90	\$35.74	\$35.18	\$35.43	\$35.86	\$35.12	\$34.87	\$35.28	\$35.13	\$35.34	\$36.07	\$36.70	\$36.82	\$36.46	\$35.66
Connecticut Water Service Inc	\$24.30	\$25.04	\$24.67	\$24.26	\$24.69	\$25.06	\$24.81	\$24.71	\$25.49	\$25.16	\$25.12	\$24.73	\$24.92	\$25.17	\$24.91	\$24.87
Middlesex Water Co	\$17.80	\$18.05	\$18.05	\$18.02	\$18.22	\$18.53	\$18.31	\$18.14	\$18.77	\$18.55	\$18.32	\$17.96	\$18.03	\$18.43	\$18.44	\$18.24
Aqua America Inc	\$22.25	\$22.69	\$22.68	\$22.39	\$22.58	\$22.84	\$22.36	\$22.29	\$22.52	\$22.32	\$22.31	\$22.75	\$23.24	\$23.28	\$23.24	\$22.65
SJW Corp	\$23.33	\$24.79	\$24.37	\$23.89	\$24.29	\$24.86	\$24.35	\$24.36	\$24.82	\$24.53	\$23.86	\$23.93	\$24.08	\$24.27	\$24.35	\$24.27
American States Water Co	\$33.24	\$34.24	\$34.20	\$33.71	\$34.09	\$34.30	\$33.51	\$33.10	\$33.54	\$33.68	\$33.04	\$33.21	\$34.01	\$34.01	\$33.48	\$33.69
York Water Co	\$16.44	\$16.89	\$16.38	\$15.90	\$16.27	\$16.55	\$16.16	\$16.17	\$16.97	\$17.00	\$16.98	\$16.97	\$16.86	\$17.28	\$17.24	\$16.67
American Water Works Co Inc	\$27.40	\$27.87	\$27.89	\$27.65	\$27.69	\$28.20	\$27.69	\$27.46	\$27.74	\$27.37	\$27.08	\$27.40	\$27.48	\$27.83	\$27.32	\$27.60

Sources and Notes:

Bloomberg as of March 10, 2011.

Daily prices for the 15-trading day period ending March 10, 2011.

Workpaper #2 to Table No. MJV-6

Water Utility Sample

Most Recent Paid Dividends

Company	Most Recent Dividend
California Water Service Group	\$0.31
Connecticut Water Service Inc	\$0.23
Middlesex Water Co	\$0.18
Aqua America Inc	\$0.16
SJW Corp	\$0.17
American States Water Co	\$0.26
York Water Co	\$0.13
American Water Works Co Inc	\$0.22

Sources and Notes:

Bloomberg as of March 10, 2011.

Workpaper #3 to Table No. MJV-6

DCF Cost of Equity of the Water Utility Sample

Multi - Stage DCF (using Blue Chip Economic Indicator Long-Term GDP Growth Forecast as the Perpetual Growth Rate)

Year	Company	Connecticut				Aqua America Inc	American States			American Water Works Co Inc
		California Water Service Group	Water Service Inc	Middlesex Water Co	SJW Corp		Water Co	York Water Co	Works Co Inc	
	Current Dividend	\$0.31	\$0.23	\$0.18	\$0.16	\$0.17	\$0.26	\$0.13	\$0.22	
	Current Stock Price	(\$35.66)	(\$24.87)	(\$18.24)	(\$22.65)	(\$24.27)	(\$33.69)	(\$16.67)	(\$27.60)	
YEAR 2011	Dividend Q2 Estimate	\$0.31	\$0.23	\$0.18	\$0.16	\$0.18	\$0.26	\$0.13	\$0.23	
YEAR 2011	Dividend Q3 Estimate	\$0.32	\$0.23	\$0.18	\$0.16	\$0.18	\$0.26	\$0.13	\$0.23	
YEAR 2011	Dividend Q4 Estimate	\$0.32	\$0.23	\$0.19	\$0.16	\$0.18	\$0.27	\$0.14	\$0.24	
YEAR 2012	Dividend Q1 Estimate	\$0.33	\$0.24	\$0.19	\$0.16	\$0.19	\$0.27	\$0.14	\$0.24	
YEAR 2012	Dividend Q2 Estimate	\$0.33	\$0.24	\$0.19	\$0.17	\$0.19	\$0.27	\$0.14	\$0.25	
YEAR 2012	Dividend Q3 Estimate	\$0.34	\$0.24	\$0.19	\$0.17	\$0.20	\$0.28	\$0.14	\$0.26	
YEAR 2012	Dividend Q4 Estimate	\$0.34	\$0.24	\$0.19	\$0.17	\$0.20	\$0.28	\$0.14	\$0.26	
YEAR 2013	Dividend Q1 Estimate	\$0.35	\$0.24	\$0.19	\$0.18	\$0.21	\$0.28	\$0.15	\$0.27	
YEAR 2013	Dividend Q2 Estimate	\$0.35	\$0.24	\$0.19	\$0.18	\$0.21	\$0.28	\$0.15	\$0.28	
YEAR 2013	Dividend Q3 Estimate	\$0.36	\$0.24	\$0.19	\$0.18	\$0.22	\$0.29	\$0.15	\$0.29	
YEAR 2013	Dividend Q4 Estimate	\$0.36	\$0.24	\$0.19	\$0.18	\$0.22	\$0.29	\$0.15	\$0.29	
YEAR 2014	Dividend Q1 Estimate	\$0.37	\$0.24	\$0.19	\$0.19	\$0.23	\$0.29	\$0.15	\$0.30	
YEAR 2014	Dividend Q2 Estimate	\$0.37	\$0.24	\$0.19	\$0.19	\$0.23	\$0.29	\$0.16	\$0.31	
YEAR 2014	Dividend Q3 Estimate	\$0.38	\$0.24	\$0.20	\$0.19	\$0.24	\$0.30	\$0.16	\$0.32	
YEAR 2014	Dividend Q4 Estimate	\$0.38	\$0.24	\$0.20	\$0.20	\$0.24	\$0.30	\$0.16	\$0.33	
YEAR 2015	Dividend Q1 Estimate	\$0.39	\$0.24	\$0.20	\$0.20	\$0.25	\$0.30	\$0.16	\$0.33	
YEAR 2015	Dividend Q2 Estimate	\$0.40	\$0.24	\$0.20	\$0.20	\$0.25	\$0.31	\$0.16	\$0.34	
YEAR 2015	Dividend Q3 Estimate	\$0.40	\$0.24	\$0.20	\$0.21	\$0.26	\$0.31	\$0.17	\$0.35	
YEAR 2015	Dividend Q4 Estimate	\$0.41	\$0.24	\$0.20	\$0.21	\$0.27	\$0.31	\$0.17	\$0.36	
YEAR 2016	Dividend Q1 Estimate	\$0.41	\$0.25	\$0.20	\$0.21	\$0.27	\$0.31	\$0.17	\$0.37	
YEAR 2016	Dividend Q2 Estimate	\$0.42	\$0.25	\$0.20	\$0.21	\$0.28	\$0.32	\$0.17	\$0.38	
YEAR 2016	Dividend Q3 Estimate	\$0.43	\$0.25	\$0.20	\$0.22	\$0.28	\$0.32	\$0.18	\$0.39	
YEAR 2016	Dividend Q4 Estimate	\$0.43	\$0.25	\$0.21	\$0.22	\$0.29	\$0.32	\$0.18	\$0.40	
YEAR 2017	Dividend Q1 Estimate	\$0.44	\$0.25	\$0.21	\$0.22	\$0.30	\$0.33	\$0.18	\$0.41	
YEAR 2017	Dividend Q2 Estimate	\$0.44	\$0.25	\$0.21	\$0.23	\$0.30	\$0.33	\$0.18	\$0.42	
YEAR 2017	Dividend Q3 Estimate	\$0.45	\$0.25	\$0.21	\$0.23	\$0.31	\$0.33	\$0.19	\$0.43	
YEAR 2017	Dividend Q4 Estimate	\$0.46	\$0.25	\$0.21	\$0.23	\$0.31	\$0.34	\$0.19	\$0.44	
YEAR 2018	Dividend Q1 Estimate	\$0.46	\$0.26	\$0.21	\$0.24	\$0.32	\$0.34	\$0.19	\$0.45	
YEAR 2018	Dividend Q2 Estimate	\$0.47	\$0.26	\$0.21	\$0.24	\$0.32	\$0.34	\$0.19	\$0.45	
YEAR 2018	Dividend Q3 Estimate	\$0.48	\$0.26	\$0.22	\$0.24	\$0.33	\$0.35	\$0.19	\$0.46	
YEAR 2018	Dividend Q4 Estimate	\$0.48	\$0.26	\$0.22	\$0.25	\$0.34	\$0.35	\$0.20	\$0.47	
YEAR 2019	Dividend Q1 Estimate	\$0.49	\$0.26	\$0.22	\$0.25	\$0.34	\$0.36	\$0.20	\$0.48	
YEAR 2019	Dividend Q2 Estimate	\$0.49	\$0.26	\$0.22	\$0.25	\$0.35	\$0.36	\$0.20	\$0.49	
YEAR 2019	Dividend Q3 Estimate	\$0.50	\$0.27	\$0.22	\$0.26	\$0.35	\$0.36	\$0.20	\$0.50	
YEAR 2019	Dividend Q4 Estimate	\$0.51	\$0.27	\$0.23	\$0.26	\$0.36	\$0.37	\$0.21	\$0.50	
YEAR 2020	Dividend Q1 Estimate	\$0.51	\$0.27	\$0.23	\$0.26	\$0.36	\$0.37	\$0.21	\$0.51	
YEAR 2020	Dividend Q2 Estimate	\$0.52	\$0.27	\$0.23	\$0.27	\$0.37	\$0.38	\$0.21	\$0.52	
YEAR 2020	Dividend Q3 Estimate	\$0.53	\$0.28	\$0.23	\$0.27	\$0.37	\$0.38	\$0.21	\$0.53	
YEAR 2020	Dividend Q4 Estimate	\$0.53	\$0.28	\$0.24	\$0.27	\$0.38	\$0.38	\$0.22	\$0.54	
YEAR 2021	Dividend Q1 Estimate	\$0.54	\$0.28	\$0.24	\$0.28	\$0.38	\$0.39	\$0.22	\$0.54	
YEAR 2021 Q2	Year 10 Stock Price	\$58.39	\$38.95	\$28.76	\$37.02	\$40.89	\$54.01	\$27.09	\$47.61	
	Trial COE: Quarterly Rate	2.1%	1.9%	2.0%	1.9%	2.1%	1.9%	2.0%	2.3%	
	Trial COE: Annual Rate	8.7%	7.8%	8.3%	7.9%	8.8%	7.8%	8.2%	9.7%	
	Cost of Equity	8.7%	7.8%	8.3%	7.9%	8.8%	7.8%	8.2%	9.7%	
	(Trial COE - COE) x 100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Sources and Notes:

All Growth Rate Estimates: Table No. MJV-6; Panel B.

Stock Prices and Dividends are from Bloomberg as of March 10, 2011.

1. See Workpaper #1 to Table No. MJV-6 for the average closing stock price obtained from Bloomberg.

2. See Workpaper #2 to Table No. MJV-6 for the for the quarterly dividend obtained from Bloomberg.

3. The Blue Chip Economic Indicator Long-Term GDP Growth Rate is used to calculate the Year 10 Stock Price.

$$\frac{\{(the Dividend Year 2021 Q2 Estimate) \times ((1 + the Perpetual Growth Rate) ^ (1/4) \times (1 + Trial COE - Quarterly Rate))\}}{((Trial COE - Quarterly Rate) - ((1 + the Perpetual Growth Rate) ^ (1/4) - 1))}$$

Table No. MJV-7  
Overall Cost of Capital of the Water Utility Sample  
Panel A: Simple DCF Method (Quarterly)

Company		4th Quarter, 2010 Bond Rating [1]	4th Quarter, 2010 Preferred Equity Rating [2]	DCF Cost of Equity [3]	DCF Common Equity to Market Value Ratio [4]	Cost of Preferred Equity [5]	DCF Preferred Equity to Market Value Ratio [6]	DCF Cost of Debt [7]	DCF Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After- Tax Cost of Capital [10]
California Water Service Group	*	A	A	9.8%	0.58	5.8%	0.00	5.6%	0.42	40.7%	7.1%
Connecticut Water Service Inc		A	A	4.9%	0.64	5.8%	0.00	5.6%	0.36	40.7%	4.3%
Middlesex Water Co	*	A	A	6.2%	0.65	5.8%	0.01	5.6%	0.34	40.7%	5.2%
Aqua America Inc	*	A	A	9.4%	0.67	5.8%	0.00	5.6%	0.33	40.7%	7.4%
SJW Corp	*	A	A	12.7%	0.57	5.8%	0.00	5.6%	0.43	40.7%	8.6%
American States Water Co	*	A	A	7.1%	0.65	5.8%	0.00	5.6%	0.35	40.7%	5.8%
York Water Co	*	A	A	8.9%	0.69	5.8%	0.00	5.6%	0.31	40.7%	7.2%
American Water Works Co Inc	*	BBB	BBB	14.6%	0.44	6.7%	0.00	6.0%	0.56	40.7%	8.5%
Full Sample Average				9.8%	0.61	6.0%	0.00	5.7%	0.39	40.7%	7.1%
Sub-sample Average				9.8%	0.61	6.0%	0.00	5.7%	0.39	40.7%	7.1%

Sources and Notes:

- [1]: Bloomberg as of March 10, 2011.  
[2]: Preferred ratings were assumed equal to debt ratings.  
[3]: Table No. MJV-6; Panel A, [6].  
[4]: Table No. MJV-4, [1].  
[5]: Workpaper #2 to Table No. MJV-11, Panel C.  
[6]: Table No. MJV-4, [2].  
[7]: Workpaper #2 to Table No. MJV-11, Panel B.  
[8]: Table No. MJV-4, [3].

- [9]: Provided by California Water Service Group.  
[10]:  $(([3] \times [4]) + ([5] \times [6]) + ([7] \times [8] \times (1 - [9])))$ .  
\* Indicates inclusion in sub-sample.

Table No. MJV-7

## Overall Cost of Capital of the Water Utility Sample

## Panel B: Multi-Stage DCF (Using Blue Chip Long-Term GDP Growth Forecast as the Perpetual Rate)

Company		4th Quarter, 2010 Bond Rating	4th Quarter, 2010 Preferred Equity Rating	DCF Cost of Equity	DCF Common Equity to Market Value Ratio	Cost of Preferred Equity	DCF Preferred Equity to Market Value Ratio	DCF Cost of Debt	DCF Debt to Market Value Ratio	California Water Service Group's Income Tax Rate	Overall After- Tax Cost of Capital
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
California Water Service Group	*	A	A	8.7%	0.58	5.8%	0.00	5.6%	0.42	40.7%	6.4%
Connecticut Water Service Inc		A	A	7.8%	0.64	5.8%	0.00	5.6%	0.36	40.7%	6.2%
Middlesex Water Co	*	A	A	8.3%	0.65	5.8%	0.01	5.6%	0.34	40.7%	6.6%
Aqua America Inc	*	A	A	7.9%	0.67	5.8%	0.00	5.6%	0.33	40.7%	6.4%
SJW Corp	*	A	A	8.8%	0.57	5.8%	0.00	5.6%	0.43	40.7%	6.4%
American States Water Co	*	A	A	7.8%	0.65	5.8%	0.00	5.6%	0.35	40.7%	6.2%
York Water Co	*	A	A	8.2%	0.69	5.8%	0.00	5.6%	0.31	40.7%	6.7%
American Water Works Co Inc	*	BBB	BBB	9.7%	0.44	6.7%	0.00	6.0%	0.56	40.7%	6.3%
Full Sample Average				8.4%	0.61	5.9%	0.00	5.7%	0.39	40.7%	6.4%
Sub-sample Average				8.5%	0.61	6.0%	0.00	5.7%	0.39	40.7%	6.4%

## Sources and Notes:

[1]: Bloomberg as of March 10, 2011.

[2]: Preferred ratings were assumed equal to debt ratings.

[3]: Table No. MJV-6; Panel B, [10].

[4]: Table No. MJV-4, [1].

[5]: Workpaper #2 to Table No. MJV-11, Panel C.

[6]: Table No. MJV-4, [2].

[7]: Workpaper #2 to Table No. MJV-11, Panel B.

[8]: Table No. MJV-4, [3].

[9]: Provided by California Water Service Group.

[10]:  $\{[3] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .

\* Indicates inclusion in sub-sample.

Table No. MJV-8  
 DCF Cost of Equity at California Water Service Group Capital Structure  
 Water Utility Sample

	Overall Cost of Capital [1]	California Water Service Group's Regulatory % Debt [2]	California Water Service Group's Cost of Debt [3]	California Water Service Group's Income Tax Rate [4]	California Water Service Group's Regulatory % Preferred Equity [5]	Service Group's Cost of Preferred Equity [6]	California Water Service Group's Regulatory % Equity [7]	Estimated Return on Equity [8]
<b>Full Sample</b>								
Simple DCF Quarterly	7.1%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	10.5%
Multi-Stage DCF - Using the Blue Chip Economic Indicator Long-Term GDP Growth Forecast as the Perpetual Rate	6.4%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	9.1%
<b>Sub-Sample</b>								
Simple DCF Quarterly	7.1%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	10.5%
Multi-Stage DCF - Using the Blue Chip Economic Indicator Long-Term GDP Growth Forecast as the Perpetual Rate	6.4%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	9.2%

Sources and Notes:

- [1]: Table No. MJV-7; Panels A-B, [10].
- [2]: Provided by California Water Service Group.
- [3]: Based on an A rating. Yield from Bloomberg as of March 10, 2011.
- [4]: Provided by California Water Service Group.
- [5]: Provided by California Water Service Group.
- [6]: From Mergent Bond Record, January 2011 Edition.
- [7]: Provided by California Water Service Group.
- [8]:  $\{[1] - ([2] \times [3] \times (1 - [4]) + [5] \times [6])\} / [7]$ .



Table No. MJV-9 - Interest Rate Forecasts

## Water Utility Sample

## Panel A: US Interest Rate Series (All Constant Maturity Series)

Trading Date	30 Day	90 Day	180 Day	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	Long Term
3/10/2011	0.04%	0.08%	0.14%	0.25%	0.65%	1.13%	2.05%	2.74%	3.37%	4.25%
3/9/2011	0.07%	0.10%	0.15%	0.26%	0.70%	1.21%	2.16%	2.86%	3.48%	4.35%
3/8/2011	0.07%	0.11%	0.16%	0.26%	0.73%	1.27%	2.22%	2.93%	3.56%	4.41%
3/7/2011	0.10%	0.11%	0.16%	0.25%	0.70%	1.22%	2.19%	2.90%	3.51%	4.36%
3/4/2011	0.11%	0.12%	0.16%	0.26%	0.68%	1.20%	2.17%	2.88%	3.49%	4.34%
3/3/2011	0.12%	0.13%	0.16%	0.29%	0.79%	1.32%	2.30%	3.00%	3.58%	4.40%
3/2/2011	0.12%	0.13%	0.17%	0.26%	0.69%	1.18%	2.16%	2.86%	3.46%	4.30%
3/1/2011	0.07%	0.14%	0.16%	0.25%	0.66%	1.15%	2.11%	2.81%	3.41%	4.24%
2/28/2011	0.13%	0.15%	0.18%	0.25%	0.69%	1.18%	2.13%	2.82%	3.42%	4.25%
2/25/2011	0.12%	0.13%	0.16%	0.27%	0.72%	1.22%	2.16%	2.84%	3.42%	4.26%
2/24/2011	0.13%	0.13%	0.16%	0.26%	0.73%	1.24%	2.19%	2.87%	3.46%	4.29%
2/23/2011	0.12%	0.12%	0.16%	0.27%	0.74%	1.25%	2.21%	2.89%	3.49%	4.34%
2/22/2011	0.10%	0.12%	0.16%	0.28%	0.74%	1.22%	2.16%	2.85%	3.46%	4.35%
2/18/2011	0.08%	0.10%	0.15%	0.28%	0.78%	1.32%	2.30%	2.99%	3.59%	4.46%
2/17/2011	0.08%	0.09%	0.15%	0.27%	0.80%	1.33%	2.30%	2.99%	3.58%	4.44%
[A] Average:	0.10%	0.12%	0.16%	0.26%	0.72%	1.23%	2.19%	2.88%	3.49%	4.34%

## Sources and Notes:

[A]: Average over the last 15 trading days.

Bloomberg as of March 10, 2011. The most recent 15 trading days are used.

Workpaper #1 to Table No. MJV-9 - Risk Premium Forecast

Water Utility Sample

Panel A: Historical Bond Yield Averages

	Treasury Bill Yield [1]	Intermediate-Term Government Bond Yield [2]	Long-Term Government Bond Yield [3]	Long-Term Corporate Bonds (Total Return) [4]
1926	3.27%	3.61%	3.54%	7.37%
1927	3.12%	3.40%	3.17%	7.44%
1928	3.56%	4.01%	3.40%	2.84%
1929	4.75%	3.62%	3.40%	3.27%
1930	2.41%	2.91%	3.30%	7.98%
1931	1.07%	4.12%	4.07%	-1.85%
1932	0.96%	3.04%	3.15%	10.82%
1933	0.30%	3.25%	3.36%	10.38%
1934	0.16%	2.49%	2.93%	13.84%
1935	0.17%	1.63%	2.76%	9.61%
1936	0.18%	1.29%	2.55%	6.74%
1937	0.31%	1.14%	2.73%	2.75%
1938	-0.02%	1.52%	2.52%	6.13%
1939	0.02%	0.98%	2.26%	3.97%
1940	0.00%	0.57%	1.94%	3.39%
1941	0.06%	0.82%	2.04%	2.73%
1942	0.27%	0.72%	2.46%	2.60%
1943	0.35%	1.45%	2.48%	2.83%
1944	0.33%	1.40%	2.46%	4.73%
1945	0.33%	1.03%	1.99%	4.08%
1946	0.35%	1.12%	2.12%	1.72%
1947	0.50%	1.34%	2.43%	-2.34%
1948	0.81%	1.51%	2.37%	4.14%
1949	1.10%	1.23%	2.09%	3.31%
1950	1.20%	1.62%	2.24%	2.12%
1951	1.49%	2.17%	2.69%	-2.69%
1952	1.66%	2.35%	2.79%	3.52%
1953	1.82%	2.18%	2.74%	3.41%
1954	0.86%	1.72%	2.72%	5.39%
1955	1.57%	2.80%	2.95%	0.48%
1956	2.46%	3.63%	3.45%	-6.81%
1957	3.14%	2.84%	3.23%	8.71%
1958	1.54%	3.81%	3.82%	-2.22%
1959	2.95%	4.98%	4.47%	-0.97%
1960	2.66%	3.31%	3.80%	9.07%
1961	2.13%	3.84%	4.15%	4.82%
1962	2.73%	3.50%	3.95%	7.95%
1963	3.12%	4.04%	4.17%	2.19%
1964	3.54%	4.03%	4.23%	4.77%
1965	3.93%	4.90%	4.50%	-0.46%
1966	4.76%	4.79%	4.55%	0.20%
1967	4.21%	5.77%	5.56%	-4.95%
1968	5.21%	5.96%	5.98%	2.57%
1969	6.58%	8.29%	6.87%	-8.09%
1970	6.52%	5.90%	6.48%	18.37%
1971	4.39%	5.25%	5.97%	11.01%
1972	3.84%	5.85%	5.99%	7.26%
1973	6.93%	6.79%	7.26%	1.14%
1974	8.00%	7.12%	7.60%	-3.06%
1975	5.80%	7.19%	8.05%	14.64%
1976	5.08%	6.00%	7.21%	18.65%
1977	5.12%	7.51%	8.03%	1.71%
1978	7.18%	8.83%	8.98%	-0.07%
1979	10.38%	10.33%	10.12%	-4.18%
1980	11.24%	12.45%	11.99%	-2.62%
1981	14.71%	13.96%	13.34%	-0.96%
1982	10.54%	9.90%	10.95%	43.79%
1983	8.80%	11.41%	11.97%	4.70%
1984	9.85%	11.04%	11.70%	16.39%
1985	7.72%	8.55%	9.56%	30.90%
1986	6.16%	6.85%	7.89%	19.85%
1987	5.47%	8.32%	9.20%	-0.27%
1988	6.35%	9.17%	9.19%	10.70%
1989	8.37%	7.94%	8.16%	16.23%
1990	7.81%	7.70%	8.44%	6.78%
1991	5.60%	5.97%	7.30%	19.89%
1992	3.51%	6.11%	7.26%	9.39%
1993	2.90%	5.22%	6.54%	13.19%
1994	3.90%	7.80%	7.99%	-5.76%
1995	5.60%	5.38%	6.03%	27.20%
1996	5.21%	6.16%	6.73%	1.40%
1997	5.26%	5.73%	6.02%	12.95%
1998	4.86%	4.68%	5.42%	10.76%
1999	4.68%	6.45%	6.82%	-7.45%
2000	5.89%	5.07%	5.58%	12.87%
2001	3.83%	4.42%	5.75%	10.65%
2002	1.65%	2.61%	4.84%	16.33%
2003	1.02%	2.97%	5.11%	5.27%
2004	1.20%	3.47%	4.84%	8.72%
2005	2.98%	4.34%	4.61%	5.87%
2006	4.80%	4.65%	4.91%	3.24%
2007	4.66%	3.28%	4.50%	2.60%
2008	1.60%	1.26%	3.03%	8.78%
2009	0.10%	2.42%	4.58%	3.02%
2010	0.12%	1.70%	4.14%	12.44%

[1] - [4]: Ibbotson Associates Stocks Bonds Bills (SBB) and Inflation monthly paper reports.

Workpaper #1 to Table No. MJV-9

Water Utility Sample

Panel B: Calculation of Maturity Premia for Different Bond Series

	Annual Historical Average			Maturity Premium Calculation		
	T-Bill Total Return [1]	Intermediate Term Bond Yields [2]	Long-Term Government Bond Yield [3]	T-Bill Total Return [4]	Intermediate Term Bond Yields [5]	Long-Term Government Bond Yield [6]
1926 - 2010	3.67%	4.62%	5.23%	0.00%	0.95%	1.56%
1947 - 2010	4.53%	5.44%	6.03%	0.00%	0.92%	1.50%
1947 - 1966	2.20%	3.03%	3.37%	0.00%	0.83%	1.17%
1967 - 1986	7.41%	8.25%	8.57%	0.00%	0.83%	1.16%
1987 - 2010	4.06%	5.12%	6.12%	0.00%	1.06%	2.07%
Current	0.10%	2.19%	4.34%	0.00%	2.09%	4.24%

Sources and Notes:

[1] - [3] : Workpaper #1 to Table No. MJV-9, Panel A.

Maturity Premium is defined as the Average Bond Yield (for each series) less Risk Free Total Return.

[4]: [1] - [1].

[5]: [2] - [1].

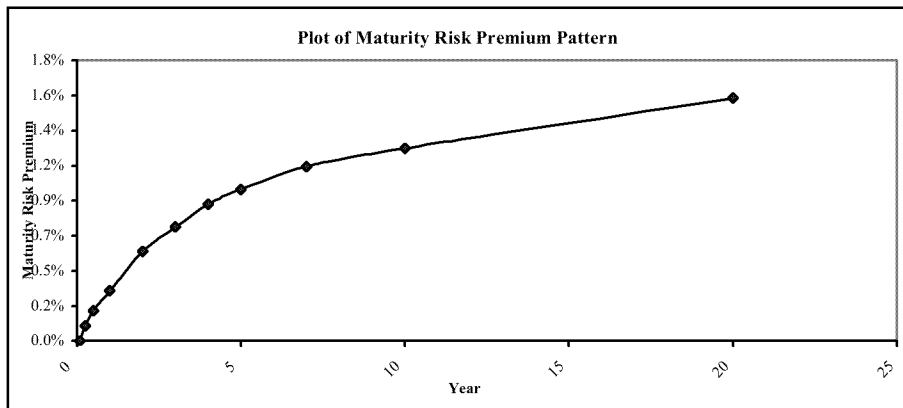
[6]: [3] - [1].

Current data from Table No. MJV-9, Panel A.

Workpaper #1 to Table No. MJV-9

Water Utility Sample

Panel C: Maturity Premium Graph and Calculations (Using Annual Series Data)



Maturity of Bond (Years) [1]	Maturity Risk Premium [2]	Annualized Difference [3]
0.083	0.00%	
0.25	0.10%	0.60%
0.5	0.20%	0.40%
1	0.33%	0.26%
2	0.59%	0.26%
3	0.75%	0.16%
4	0.90%	0.15%
5	<b>1.00%</b>	0.10%
7	1.15%	0.08%
10	1.27%	0.04%
20	<b>1.60%</b>	0.03%

Sources and Notes:

[1]: The maturity of a bond in years.

[2]: Workpaper #1 to Table No. MJV-9, Panel B; [4] - [6] and MJV Testimony.

[3]: MJV Testimony.

Table No. MJV-10  
Risk Positioning Cost of Equity of the Water Utility Sample  
Using Brattle Betas

Panel A: Scenario 1 - Long-Term Risk Free Rate of 4.74%, Long-Term Market Risk Premium of 6.50%

Company	Long-Term Risk-Free Rate [1]	Brattle Betas [2]	Long-Term Market Risk Premium [3]	CAPM Cost of Equity [4]	ECAPM (0.5%) Cost of Equity [5]	ECAPM (1.5%) Cost of Equity [6]
California Water Service Group	4.74%	0.76	6.50%	9.7%	9.8%	10.0%
Connecticut Water Service Inc	4.74%	0.83	6.50%	10.1%	10.2%	10.4%
Middlesex Water Co	4.74%	0.85	6.50%	10.2%	10.3%	10.5%
Aqua America Inc	4.74%	0.70	6.50%	9.3%	9.4%	9.7%
SJW Corp	4.74%	1.09	6.50%	11.8%	11.8%	11.7%
American States Water Co	4.74%	0.80	6.50%	9.9%	10.0%	10.2%
York Water Co	4.74%	0.62	6.50%	8.8%	9.0%	9.4%
American Water Works Co Inc	4.74%	0.62	6.50%	8.8%	9.0%	9.4%

Sources and Notes:

[1]: Table No. MJV-9, Panel A, Row [A], plus adjustment factor.

[2]: Workpaper # 1 to Table No. MJV-10, column [3].

[3]: Vilbert Direct Testimony, Appendix C.

[4]: [1] + ([2] x [3]).

[5]: ([1] + 0.5%) + [2] x ([3] - 0.5%).

[6]: ([1] + 1.5%) + [2] x ([3] - 1.5%).

Table No. MJV-10  
Risk Positioning Cost of Equity of the Water Utility Sample  
Using Brattle Betas

Panel B: Scenario 2 - Long-Term Risk Free Rate of 4.61%, Long-Term Market Risk Premium of 7.00%

Company	Long-Term Risk-Free Rate [1]	Brattle Betas [2]	Long-Term Market Risk Premium [3]	CAPM Cost of Equity [4]	ECAPM (0.5%) Cost of Equity [5]	ECAPM (1.5%) Cost of Equity [6]
California Water Service Group	4.61%	0.76	7.00%	9.9%	10.0%	10.3%
Connecticut Water Service Inc	4.61%	0.83	7.00%	10.4%	10.5%	10.7%
Middlesex Water Co	4.61%	0.85	7.00%	10.5%	10.6%	10.8%
Aqua America Inc	4.61%	0.70	7.00%	9.5%	9.7%	10.0%
SJW Corp	4.61%	1.09	7.00%	12.2%	12.2%	12.1%
American States Water Co	4.61%	0.80	7.00%	10.2%	10.3%	10.5%
York Water Co	4.61%	0.62	7.00%	9.0%	9.2%	9.5%
American Water Works Co Inc	4.61%	0.62	7.00%	9.0%	9.2%	9.5%

Sources and Notes:

[1]: Table No. MJV-9, Panel A, Row [A], plus adjustment factor.

[2]: Workpaper # 1 to Table No. MJV-10, column [3].

[3]: Vilbert Direct Testimony, Appendix C.

[4]: [1] + ([2] x [3]).

[5]: ([1] + 0.5%) + [2] x ([3] - 0.5%).

[6]: ([1] + 1.5%) + [2] x ([3] - 1.5%).

Table No. MJV-10  
Risk Positioning Cost of Equity of the Water Utility Sample  
Using Brattle Betas

Panel C: Scenario 3 - Long-Term Risk Free Rate of 4.49%, Long-Term Market Risk Premium of 7.50%

Company	Long-Term Risk-Free Rate [1]	Brattle Betas [2]	Long-Term Market Risk Premium [3]	CAPM Cost of Equity [4]	ECAPM (0.5%) Cost of Equity [5]	ECAPM (1.5%) Cost of Equity [6]
California Water Service Group	4.49%	0.76	7.50%	10.2%	10.3%	10.5%
Connecticut Water Service Inc	4.49%	0.83	7.50%	10.7%	10.8%	11.0%
Middlesex Water Co	4.49%	0.85	7.50%	10.8%	10.9%	11.1%
Aqua America Inc	4.49%	0.70	7.50%	9.7%	9.9%	10.2%
SJW Corp	4.49%	1.09	7.50%	12.7%	12.6%	12.5%
American States Water Co	4.49%	0.80	7.50%	10.5%	10.6%	10.8%
York Water Co	4.49%	0.62	7.50%	9.2%	9.4%	9.7%
American Water Works Co Inc	4.49%	0.62	7.50%	9.2%	9.4%	9.7%

Sources and Notes:

[1]: Table No. MJV-9, Panel A, Row [A], plus adjustment factor.

[2]: Workpaper # 1 to Table No. MJV-10, column [3].

[3]: Vilbert Direct Testimony, Appendix C.

[4]: [1] + ([2] x [3]).

[5]: ([1] + 0.5%) + [2] x ([3] - 0.5%).

[6]: ([1] + 1.5%) + [2] x ([3] - 1.5%).

Workpaper # 1 to Table No. MJV-10

Water Utility Sample

Value Line Betas, Bloomberg Betas and Brattle Betas

Company		Value Line	Bloomberg Betas	Brattle
		Betas		Betas
		[1]	[2]	[3]
California Water Service Group	*	0.70	0.78	0.76
Connecticut Water Service Inc	*	0.80	0.84	0.83
Middlesex Water Co	*	0.75	0.78	0.85
Aqua America Inc	*	0.65	0.79	0.70
SJW Corp	*	0.90	1.08	1.09
American States Water Co	*	0.80	0.89	0.80
York Water Co	*	0.70	0.71	0.62
American Water Works Co Inc		0.65	0.68	0.62
Average		0.74	0.82	0.78

Sources and Notes:

[1]: Most recent Value Line Plus Edition, dated January 21, 2011.

[2]: Bloomberg five year weekly beta from March 10, 2006 to March 4, 2011.

[3]: Brattle estimates as of March 9, 2011.



Table No. MJV-11  
Overall Cost of Capital of the Water Utility Sample  
Using Brattle Betas

Panel A: CAPM Cost of Equity Scenario 1 - Long-Term Risk Free Rate of 4.74%, Long-Term Market Risk Premium of 6.50%

Company	CAPM Cost of Equity [1]	ECAPM (0.5%) Cost of Equity [2]	ECAPM (1.5%) Cost of Equity [3]	5-Year Average Common Equity to Market Value Ratio [4]	Weighted - Average Cost of Preferred Equity [5]	5-Year Average Preferred Equity to Market Value Ratio [6]	Weighted-Average Cost of Debt [7]	5-Year Average Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After-Tax Cost of Capital (CAPM) [10]	Overall After-Tax Cost of Capital (ECAPM 0.5%) [11]	Overall After-Tax Cost of Capital (ECAPM 1.5%) [12]
California Water Service Group	9.7%	9.8%	10.0%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.6%	7.7%	7.9%
Connecticut Water Service Inc	10.1%	10.2%	10.4%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.9%	8.0%	8.1%
Middlesex Water Co	10.2%	10.3%	10.5%	0.62	5.83%	0.01	5.6%	0.37	40.7%	7.7%	7.7%	7.8%
Aqua America Inc	9.3%	9.4%	9.7%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.4%	7.5%	7.7%
SJW Corp	11.8%	11.8%	11.7%	0.69	5.83%	0.00	5.6%	0.31	40.7%	9.1%	9.1%	9.1%
American States Water Co	9.9%	10.0%	10.2%	0.65	5.83%	0.00	5.6%	0.35	40.7%	7.6%	7.7%	7.8%
York Water Co	8.8%	9.0%	9.4%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.0%	7.1%	7.4%
American Water Works Co Inc	8.8%	9.0%	9.4%	0.41	6.34%	0.00	5.9%	0.59	40.7%	5.7%	5.7%	5.9%
Full Sample Average				0.64	5.89%	0.00	5.6%	0.36	40.7%	7.5%	7.6%	7.7%
Sub-Sample Average				0.67	5.83%	0.00	5.6%	0.33	40.7%	7.8%	7.8%	8.0%

Sources and Notes:

- [1]: Table No. MJV-10; Panel A, [4].  
[2]: Table No. MJV-10; Panel A, [5].  
[3]: Table No. MJV-10; Panel A, [6].  
[4]: Table No. MJV-4, [4].  
[5]: Workpaper #2 to Table No. MJV-11, Panel C.  
[6]: Table No. MJV-4, [5].  
[7]: Workpaper #2 to Table No. MJV-11, Panel B.  
[8]: Table No. MJV-4, [6].  
[9]: Provided by California Water Service Group.  
[10]:  $\{[1] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .  
[11]:  $\{[2] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .  
[12]:  $\{[3] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .

Table No. MJV-11  
Overall Cost of Capital of the Water Utility Sample  
Using Brattle Betas

Panel B: CAPM Cost of Equity Scenario 2 - Long-Term Risk Free Rate of 4.61%, Long-Term Market Risk Premium of 7.00%

Company	CAPM Cost of Equity [1]	ECAPM (0.5%) Cost of Equity [2]	ECAPM (1.5%) Cost of Equity [3]	5-Year Average Common Equity to Market Value Ratio [4]	Weighted - Average Cost of Preferred Equity [5]	5-Year Average Preferred Equity to Market Value Ratio [6]	Weighted-Average Cost of Debt [7]	5-Year Average Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After-Tax Cost of Capital (CAPM) [10]	Overall After-Tax Cost of Capital (ECAPM 0.5%) [11]	Overall After-Tax Cost of Capital (ECAPM 1.5%) [12]
California Water Service Group	9.9%	10.0%	10.3%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.8%	7.9%	8.0%
Connecticut Water Service Inc	10.4%	10.5%	10.7%	0.68	5.83%	0.00	5.6%	0.32	40.7%	8.1%	8.2%	8.3%
Middlesex Water Co	10.5%	10.6%	10.8%	0.62	5.83%	0.01	5.6%	0.37	40.7%	7.8%	7.9%	8.0%
Aqua America Inc	9.5%	9.7%	10.0%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.6%	7.7%	7.9%
SJW Corp	12.2%	12.2%	12.1%	0.69	5.83%	0.00	5.6%	0.31	40.7%	9.4%	9.4%	9.3%
American States Water Co	10.2%	10.3%	10.5%	0.65	5.83%	0.00	5.6%	0.35	40.7%	7.8%	7.9%	8.0%
York Water Co	9.0%	9.2%	9.5%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.1%	7.3%	7.5%
American Water Works Co Inc	9.0%	9.2%	9.5%	0.41	6.34%	0.00	5.9%	0.59	40.7%	5.7%	5.8%	6.0%
Full Sample Average				0.64	5.89%	0.00	5.6%	0.36	40.7%	7.7%	7.8%	7.9%
Sub-Sample Average				0.67	5.83%	0.00	5.6%	0.33	40.7%	8.0%	8.0%	8.2%

Sources and Notes:

- [1]: Table No. MJV-10; Panel B, [4].  
 [2]: Table No. MJV-10; Panel B, [5].  
 [3]: Table No. MJV-10; Panel B, [6].  
 [4]: Table No. MJV-4, [4].  
 [5]: Workpaper #2 to Table No. MJV-11, Panel C.  
 [6]: Table No. MJV-4, [5].  
 [7]: Workpaper #2 to Table No. MJV-11, Panel B.  
 [8]: Table No. MJV-4, [6].  
 [9]: Provided by California Water Service Group.  
 [10]:  $\{[1] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .  
 [11]:  $\{[2] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .  
 [12]:  $\{[3] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .

Table No. MJV-11  
Overall Cost of Capital of the Water Utility Sample  
Using Brattle Betas

Panel C: CAPM Cost of Equity Scenario 3 - Long-Term Risk Free Rate of 4.49%, Long-Term Market Risk Premium of 7.50%

Company	CAPM Cost of Equity [1]	ECAPM (0.5%) Cost of Equity [2]	ECAPM (1.5%) Cost of Equity [3]	5-Year Average Common Equity to Market Value Ratio [4]	Weighted - Average Cost of Preferred Equity [5]	5-Year Average Preferred Equity to Market Value Ratio [6]	Weighted-Average Cost of Debt [7]	5-Year Average Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After-Tax Cost of Capital (CAPM) [10]	Overall After-Tax Cost of Capital (ECAPM 0.5%) [11]	Overall After-Tax Cost of Capital (ECAPM 1.5%) [12]
California Water Service Group	10.2%	10.3%	10.5%	0.68	5.83%	0.00	5.6%	0.32	40.7%	8.0%	8.0%	8.2%
Connecticut Water Service Inc	10.7%	10.8%	11.0%	0.68	5.83%	0.00	5.6%	0.32	40.7%	8.3%	8.4%	8.5%
Middlesex Water Co	10.8%	10.9%	11.1%	0.62	5.83%	0.01	5.6%	0.37	40.7%	8.0%	8.1%	8.2%
Aqua America Inc	9.7%	9.9%	10.2%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.7%	7.8%	8.0%
SJW Corp	12.7%	12.6%	12.5%	0.69	5.83%	0.00	5.6%	0.31	40.7%	9.7%	9.7%	9.6%
American States Water Co	10.5%	10.6%	10.8%	0.65	5.83%	0.00	5.6%	0.35	40.7%	8.0%	8.1%	8.2%
York Water Co	9.2%	9.4%	9.7%	0.68	5.83%	0.00	5.6%	0.32	40.7%	7.3%	7.4%	7.7%
American Water Works Co Inc	9.2%	9.4%	9.7%	0.41	6.34%	0.00	5.9%	0.59	40.7%	5.8%	5.9%	6.0%
Full Sample Average				0.64	5.89%	0.00	5.6%	0.36	40.7%	7.9%	7.9%	8.1%
Sub-Sample Average				0.67	5.83%	0.00	5.6%	0.33	40.7%	8.1%	8.2%	8.3%

Sources and Notes:

- [1]: Table No. MJV-10; Panel C, [4].  
[2]: Table No. MJV-10; Panel C, [5].  
[3]: Table No. MJV-10; Panel C, [6].  
[4]: Table No. MJV-4, [4].  
[5]: Workpaper #2 to Table No. MJV-11, Panel C.  
[6]: Table No. MJV-4, [5].  
[7]: Workpaper #2 to Table No. MJV-11, Panel B.  
[8]: Table No. MJV-4, [6].  
[9]: Provided by California Water Service Group.  
[10]:  $\{[1] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .  
[11]:  $\{[2] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .  
[12]:  $\{[3] \times [4]\} + \{[5] \times [6]\} + \{[7] \times [8] \times (1 - [9])\}$ .

Workpaper #1 to Table No. MJV-11

Water Utility Sample

Panel A: Rating to Yield Conversion

Rating	Bond Yield	Preferred Yield
A	5.61%	5.83%
BBB	6.02%	6.68%

Sources and Notes:

Bond Yields from Bloomberg as of March 10, 2011.

Preferred Yields from Mergent Bond Record, January 2011 Edition.

Workpaper #1 to Table No. MJV-11

Water Utility Sample

Panel B: Bond Rating Summary

Company	Year End,				
	2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]
California Water Service Group	A	A	A	A	A
Connecticut Water Service Inc	A	A	A	A	A
Middlesex Water Co	A	A	A	A	A
Aqua America Inc	A	A	A	A	A
SJW Corp	A	A	A	A	A
American States Water Co	A	A	A	A	A
York Water Co	A	A	A	A	A
American Water Works Co Inc	BBB	BBB	BBB	A	A

Sources and Notes:

[1] - [5]: Bloomberg as of March 10, 2011.

The bond rating for Aqua America uses a subsidiary's rating.

SJW Corp has an assumed bond rating in the A range to be consistent with other companies.

The credit rating is the long-term issuer rating without a +/- indication.

Workpaper #1 to Table No. MJV-11

Water Utility Sample

Panel C: Preferred Equity Rating Summary

Company	Year End,				
	2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]
California Water Service Group	A	A	A	A	A
Connecticut Water Service Inc	A	A	A	A	A
Middlesex Water Co	A	A	A	A	A
Aqua America Inc	A	A	A	A	A
SJW Corp	A	A	A	A	A
American States Water Co	A	A	A	A	A
York Water Co	A	A	A	A	A
American Water Works Co Inc	BBB	BBB	BBB	A	A

Sources and Notes:

[1] - [5]: Preferred equity ratings are assumed equal to the company's bond ratings reported in Workpaper #1 to Table No. MJV-11, Panel B.

The credit rating is the long-term issuer rating without a +/- indication.

Workpaper #2 to Table No. MJV-11

Water Utility Sample

Panel A: Day Average Utility Yields and Mergent Preferred Yields

Date	A Rated Utility [1]	BBB Rated Utility [2]	A Preferred [3]	BBB Preferred [4]
3/10/2011	5.56	5.96	-	-
3/9/2011	5.63	6.02	-	-
3/8/2011	5.68	6.09	-	-
3/7/2011	5.63	6.04	-	-
3/4/2011	5.63	6.03	-	-
3/3/2011	5.66	6.07	-	-
3/2/2011	5.58	5.98	-	-
3/1/2011	5.52	5.93	-	-
2/28/2011	5.51	5.92	-	-
2/25/2011	5.55	5.96	-	-
2/24/2011	5.57	5.99	-	-
2/23/2011	5.62	6.04	-	-
2/22/2011	5.62	6.04	-	-
2/18/2011	5.71	6.13	-	-
2/17/2011	5.67	6.09	-	-
Average	5.61	6.02	5.83	6.68

Sources and Notes:

[1] - [2]: Bloomberg as of March 10, 2011.

[3] - [4]: Mergent Bond Record, January 2011 Edition.

Workpaper #2 to Table No. MJV-11

Water Utility Sample

Panel B: Bond Yield Summary

Company	Year End,					5-Year
	2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]	Average [6]
California Water Service Group	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
Connecticut Water Service Inc	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
Middlesex Water Co	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
Aqua America Inc	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
SJW Corp	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
American States Water Co	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
York Water Co	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
American Water Works Co Inc	6.02%	6.02%	6.02%	5.61%	5.61%	5.86%

Sources and Notes:

[1] - [5]: Ratings based on Workpaper #1 to Table No. MJV-11, Panel B. Bond yields from Bloomberg as of March 10, 2011.

[6]: { ([1] + [2] + [3] + [4] + [5]) / 5 }



Workpaper #2 to Table No. MJV-11

Water Utility Sample

Panel C: Preferred Equity Yield Summary

Company	Year End, 2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]	5-Year Average [6]
California Water Service Group	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
Connecticut Water Service Inc	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
Middlesex Water Co	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
Aqua America Inc	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
SJW Corp	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
American States Water Co	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
York Water Co	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
American Water Works Co Inc	6.68%	6.68%	6.68%	5.83%	5.83%	6.34%

Sources and Notes:

[1] - [5]: See Workpaper #1 to Table No. MJV-11, Panels C. Preferred equity yields are from Mergent Bond Record, January 2011

[6]:  $\{ ([1] + [2] + [3] + [4] + [5]) / 5 \}$

Table No. MJV-12  
Risk Positioning Cost of Equity at California Water Service Group's Capital Structure  
Water Utility Sample  
Using Brattle Betas

	Overall Cost of Capital (Scenario 1) [1]	Overall Cost of Capital (Scenario 2) [2]	Overall Cost of Capital (Scenario 3) [3]	California Water Service Group's Regulatory % Debt [4]	California Water Service Group's Cost of Debt [5]	California Water Service Group's Income Tax Rate [6]	California Water Service Group's Regulatory % Preferred Equity [7]	California Water Service Group's Cost of Preferred Equity [8]	California Water Service Group's Regulatory % Equity [9]	Estimated Return on Equity (Scenario 1) [10]	Estimated Return on Equity (Scenario 2) [11]	Estimated Return on Equity (Scenario 3) [12]
<b>Full Sample:</b>												
CAPM using Brattle Betas	7.5%	7.7%	7.9%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.2%	11.6%	11.9%
ECAPM (0.50%) using Brattle Betas	7.6%	7.8%	7.9%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.4%	11.7%	12.0%
ECAPM (1.50%) using Brattle Betas	7.7%	7.9%	8.1%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.6%	11.9%	12.3%
<b>Sub-Sample:</b>												
CAPM using Brattle Betas	7.8%	8.0%	8.1%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.7%	12.1%	12.4%
ECAPM (0.50%) using Brattle Betas	7.8%	8.0%	8.2%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.8%	12.2%	12.6%
ECAPM (1.50%) using Brattle Betas	8.0%	8.2%	8.3%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	12.1%	12.4%	12.8%

Sources and Notes:

[1]: Table No. MJV-11; Panel A, [10] - [12].

[2]: Table No. MJV-11; Panel B, [10] - [12].

[3]: Table No. MJV-11; Panel C, [10] - [12].

[4]: Provided by California Water Service Group.

[5]: Based on a A rating. Yield from Bloomberg as of March 10, 2011.

[6]: Provided by California Water Service Group.

[7]: Provided by California Water Service Group.

[8]: From Mergent Bond Record, January 2011 Edition.

[9]: Provided by California Water Service Group.

[10]:  $\{[1] - ([4] \times [5] \times (1 - [6]) + [7] \times [8])\} / [9]$ .

[11]:  $\{[2] - ([4] \times [5] \times (1 - [6]) + [7] \times [8])\} / [9]$ .

[12]:  $\{[3] - ([4] \times [5] \times (1 - [6]) + [7] \times [8])\} / [9]$ .

Scenario 1: Long-Term Risk Free Rate of 4.74%, Long-Term Market Risk Premium of 6.50%.

Scenario 2: Long-Term Risk Free Rate of 4.61%, Long-Term Market Risk Premium of 7.00%.

Scenario 3: Long-Term Risk Free Rate of 4.49%, Long-Term Market Risk Premium of 7.50%.

Table No. MJV-13

Gas LDC Sample

Classification of Companies by Assets

Company	Company Category
Atmos Energy Corp	R
Laclede Group Inc/The	R
New Jersey Resources Corp	MR
NiSource Inc	MR
Northwest Natural Gas Co	R
Piedmont Natural Gas Co	R
South Jersey Industries Inc	MR
Southwest Gas Corp	R
WGL Holdings Inc	R

Sources and Notes:

Workpaper #1 to Table No. MJV-13, Panels A-I.

R = Regulated (greater than 80 percent of total assets are regulated).

MR = Mostly Regulated (50 to 80 percent of total assets are regulated).

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel A: Atmos Energy Corp (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	6,586,130	97.4%
Total	[2]	6,763,791	

Sources and Notes:

[1]-[2]: Atmos Energy Corp's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel B: Laclede Group Inc/The (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	1,657,530	90.1%
Total	[2]	1,840,196	

Sources and Notes:

[1]-[2]: Laclede Group Inc/The's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel C: New Jersey Resources Corp (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	1,904,545	74.3%
Total	[2]	2,563,133	

Sources and Notes:

[1]-[2]: New Jersey Resources Corp's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel D: NiSource Inc (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	11,353,000	56.9%
Total	[2]	19,938,800	

Sources and Notes:

[1]-[2]: NiSource Inc's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel E: Northwest Natural Gas Co (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	n/a	90.0%
Total	[2]	n/a	

Sources and Notes:

[1]-[2]: Northwest Natural Gas Co's 2010 Form 10-K, p. 3 explicitly states the percentage of



Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel F: Piedmont Natural Gas Co (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	2,784,087	97.2%
Total	[2]	2,864,895	

Sources and Notes:

[1]-[2]: Piedmont Natural Gas Co's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel G: South Jersey Industries Inc (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	1,468,635	70.7%
Total	[2]	2,076,615	

Sources and Notes:

[1]-[2]: South Jersey Industries Inc's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel H: Southwest Gas Corp (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	3,845,111	96.5%
Total	[2]	3,984,193	

Sources and Notes:

[1]-[2]: Southwest Gas Corp's 2010 Form 10-K.

Workpaper #1 to Table No. MJV-13  
Gas LDC Sample: Percentage of Regulated Assets  
Panel I: WGL Holdings Inc (thousands)

		2010	% of Total Assets
Assets Attributed to Utility	[1]	3,277,651	89.9%
Total	[2]	3,643,894	

Sources and Notes:

[1]-[2]: WGL Holdings Inc's 2010 Form 10-K.

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel A: Atmos Energy Corp

(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$2,275	\$2,275	\$2,177	\$2,052	\$1,966	\$1,648	[a]
Shares Outstanding (in millions) - Common	91	91	93	91	89	82	[b]
Price per Share - Common	\$34.17	\$31.29	\$29.52	\$23.29	\$27.65	\$32.04	[c]
Market Value of Common Equity	\$3,097	\$2,836	\$2,732	\$2,115	\$2,470	\$2,619	[d] = [b] x [c].
Market to Book Value of Common Equity	1.36	1.25	1.26	1.03	1.26	1.59	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$1,263	\$1,263	\$829	\$1,285	\$1,069	\$1,118	[h]
Current Liabilities	\$1,460	\$1,460	\$737	\$1,207	\$920	\$1,119	[i]
Current Portion of Long-Term Debt	\$352	\$352	\$0	\$1	\$4	\$3	[j]
Net Working Capital	\$155	\$155	\$92	\$79	\$153	\$2	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$248	\$248	\$73	\$351	\$151	\$382	[l]
Adjusted Short-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$1,807	\$1,807	\$2,169	\$2,120	\$2,126	\$2,180	[n]
Book Value of Long-Term Debt	\$2,160	\$2,160	\$2,170	\$2,121	\$2,130	\$2,184	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$267	\$267	\$145	(\$168)	(\$100)	(\$126)	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$2,426	\$2,426	\$2,314	\$1,952	\$2,030	\$2,057	[q] = [p] + [o].
Market Value of Debt	\$2,426	\$2,426	\$2,314	\$1,952	\$2,030	\$2,057	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$5,524	\$5,262	\$5,046	\$4,068	\$4,501	\$4,676	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	56.07%	53.89%	54.14%	52.00%	54.88%	56.01%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[u] = [g] / [s].
Debt - Market Value Ratio	43.93%	46.11%	45.86%	48.00%	45.12%	43.99%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from company's annual reports (2006-2010).

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel B: Laclede Group Inc/The  
(SMM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$549	\$549	\$517	\$486	\$428	\$403	[a]
Shares Outstanding (in millions) - Common	22	22	22	22	22	21	[b]
Price per Share - Common	\$38.49	\$36.78	\$34.11	\$45.53	\$34.43	\$35.54	[c]
Market Value of Common Equity	\$861	\$823	\$756	\$985	\$745	\$759	[d] = [b] x [c].
Market to Book Value of Common Equity	1.57	1.50	1.46	2.03	1.74	1.89	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$1	\$1	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$1	\$1	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$438	\$438	\$369	\$562	\$467	\$460	[h]
Current Liabilities	\$315	\$315	\$299	\$479	\$474	\$431	[i]
Current Portion of Long-Term Debt	\$0	\$0	\$0	\$0	\$40	\$0	[j]
Net Working Capital	\$122	\$122	\$70	\$83	\$34	\$29	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$97	\$97	\$130	\$216	\$211	\$207	[l]
Adjusted Short-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$364	\$364	\$389	\$389	\$356	\$395	[n]
Book Value of Long-Term Debt	\$364	\$364	\$389	\$389	\$396	\$396	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$55	\$55	\$34	(\$33)	\$8	\$18	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$419	\$419	\$423	\$357	\$404	\$414	[q] = [p] + [o].
Market Value of Debt	\$419	\$419	\$423	\$357	\$404	\$414	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$1,280	\$1,242	\$1,180	\$1,343	\$1,149	\$1,174	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	67.27%	66.26%	64.11%	73.40%	64.84%	64.66%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.03%	0.05%	0.07%	[u] = [g] / [s].
Debt - Market Value Ratio	32.73%	33.74%	35.89%	26.56%	35.11%	35.27%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending aperiod end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closingprice ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustmant is from company's annual reports (2006-2010).

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel C: New Jersey Resources Corp

(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$738	\$738	\$690	\$728	\$645	\$622	[a]
Shares Outstanding (in millions) - Common	41	41	44	43	42	41	[b]
Price per Share - Common	\$41.98	\$43.48	\$37.58	\$37.21	\$33.46	\$33.29	[c]
Market Value of Common Equity	\$1,739	\$1,801	\$1,645	\$1,616	\$1,392	\$1,380	[d] = [b] x [c].
Market to Book Value of Common Equity	2.36	2.44	2.38	2.22	2.16	2.22	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$918	\$918	\$684	\$1,120	\$800	\$966	[h]
Current Liabilities	\$842	\$842	\$556	\$902	\$703	\$897	[i]
Current Portion of Long-Term Debt	\$12	\$12	\$7	\$60	\$4	\$4	[j]
Net Working Capital	\$88	\$88	\$135	\$278	\$101	\$72	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$341	\$341	\$143	\$178	\$256	\$281	[l]
Adjusted Short-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$432	\$432	\$455	\$455	\$383	\$332	[n]
Book Value of Long-Term Debt	\$445	\$445	\$462	\$515	\$388	\$336	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$33	\$33	\$16	(\$48)	\$6	\$2	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$478	\$478	\$478	\$467	\$394	\$338	[q] = [p] + [o].
Market Value of Debt	\$478	\$478	\$478	\$467	\$394	\$338	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$2,216	\$2,278	\$2,123	\$2,083	\$1,786	\$1,718	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	78.46%	79.04%	77.49%	77.59%	77.95%	80.32%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[u] = [g] / [s].
Debt - Market Value Ratio	21.54%	20.96%	22.51%	22.41%	22.05%	19.68%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from company's annual reports (2006-2010).

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel D: NiSource Inc

(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$4,923	\$4,923	\$4,854	\$4,729	\$5,077	\$5,014	[a]
Shares Outstanding (in millions) - Common	279	279	277	274	274	275	[b]
Price per Share - Common	\$19.04	\$17.41	\$15.54	\$11.09	\$18.81	\$24.24	[c]
Market Value of Common Equity	\$5,309	\$4,854	\$4,298	\$3,042	\$5,158	\$6,660	[d] = [b] x [c].
Market to Book Value of Common Equity	1.08	0.99	0.89	0.64	1.02	1.33	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$2,449	\$2,449	\$2,224	\$3,411	\$2,460	\$2,783	[h]
Current Liabilities	\$3,649	\$3,649	\$3,150	\$4,583	\$3,398	\$3,821	[i]
Current Portion of Long-Term Debt	\$34	\$34	\$720	\$469	\$34	\$93	[j]
Net Working Capital	(\$1,166)	(\$1,166)	(\$206)	(\$703)	(\$904)	(\$945)	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$1,383	\$1,383	\$103	\$1,164	\$1,061	\$1,193	[l]
Adjusted Short-Term Debt	\$1,166	\$1,166	\$103	\$703	\$904	\$945	[m] = See Sources and Notes.
Long-Term Debt	\$5,936	\$5,936	\$5,969	\$5,944	\$5,594	\$5,146	[n]
Book Value of Long-Term Debt	\$7,137	\$7,137	\$6,792	\$7,117	\$6,532	\$6,185	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	(\$206)	(\$206)	\$406	(\$1,484)	(\$119)	\$52	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$6,930	\$6,930	\$7,198	\$5,632	\$6,414	\$6,237	[q] = [p] + [o].
Market Value of Debt	\$6,930	\$6,930	\$7,198	\$5,632	\$6,414	\$6,237	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$12,239	\$11,785	\$11,496	\$8,675	\$11,571	\$12,896	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	43.38%	41.19%	37.39%	35.07%	44.58%	51.64%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[u] = [g] / [s].
Debt - Market Value Ratio	56.62%	58.81%	62.61%	64.93%	55.42%	48.36%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from company's annual reports (2006-2010).



Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel E: Northwest Natural Gas Co

(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$693	\$693	\$660	\$628	\$595	\$600	[a]
Shares Outstanding (in millions) - Common	27	27	27	27	26	27	[b]
Price per Share - Common	\$47.07	\$46.96	\$45.19	\$44.12	\$48.69	\$42.24	[c]
Market Value of Common Equity	\$1,255	\$1,252	\$1,199	\$1,169	\$1,286	\$1,151	[d] = [b] x [c].
Market to Book Value of Common Equity	1.81	1.81	1.82	1.86	2.16	1.92	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$330	\$330	\$328	\$481	\$277	\$309	[h]
Current Liabilities	\$468	\$468	\$393	\$551	\$390	\$339	[i]
Current Portion of Long-Term Debt	\$10	\$10	\$35	\$0	\$5	\$30	[j]
Net Working Capital	(\$128)	(\$128)	(\$29)	(\$70)	(\$108)	(\$1)	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$257	\$257	\$102	\$248	\$143	\$100	[l]
Adjusted Short-Term Debt	\$128	\$128	\$29	\$70	\$108	\$1	[m] = See Sources and Notes.
Long-Term Debt	\$592	\$592	\$602	\$512	\$512	\$517	[n]
Book Value of Long-Term Debt	\$730	\$730	\$666	\$582	\$625	\$548	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$53	\$53	\$71	(\$6)	\$41	\$49	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$783	\$783	\$737	\$576	\$666	\$597	[q] = [p] + [o].
Market Value of Debt	\$783	\$783	\$737	\$576	\$666	\$597	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$2,038	\$2,035	\$1,936	\$1,745	\$1,952	\$1,748	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	61.58%	61.53%	61.93%	66.99%	65.88%	65.86%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[u] = [g] / [s].
Debt - Market Value Ratio	38.42%	38.47%	38.07%	33.01%	34.12%	34.14%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending aperiod end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closingprice ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustmant is from company's annual reports (2006-2010).

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel F: Piedmont Natural Gas Co

(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$965	\$965	\$928	\$887	\$878	\$883	[a]
Shares Outstanding (in millions) - Common	72	72	73	73	74	75	[b]
Price per Share - Common	\$29.56	\$29.04	\$26.34	\$31.00	\$26.73	\$27.47	[c]
Market Value of Common Equity	\$2,137	\$2,099	\$1,929	\$2,271	\$1,983	\$2,049	[d] = [b] x [c].
Market to Book Value of Common Equity	2.21	2.18	2.08	2.56	2.26	2.32	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$328	\$328	\$513	\$623	\$435	\$476	[h]
Current Liabilities	\$499	\$499	\$600	\$704	\$425	\$400	[i]
Current Portion of Long-Term Debt	\$60	\$60	\$60	\$30	\$0	\$0	[j]
Net Working Capital	(\$111)	(\$111)	(\$27)	(\$51)	\$11	\$76	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$242	\$242	\$306	\$407	\$196	\$170	[l]
Adjusted Short-Term Debt	\$111	\$111	\$27	\$51	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$672	\$672	\$733	\$794	\$825	\$825	[n]
Book Value of Long-Term Debt	\$843	\$843	\$820	\$875	\$825	\$825	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$98	\$98	\$118	(\$26)	\$68	\$89	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$940	\$940	\$937	\$849	\$893	\$914	[q] = [p] + [o].
Market Value of Debt	\$940	\$940	\$937	\$849	\$893	\$914	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$3,077	\$3,040	\$2,867	\$3,119	\$2,876	\$2,963	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	69.44%	69.06%	67.30%	72.79%	68.97%	69.16%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[u] = [g] / [s].
Debt - Market Value Ratio	30.56%	30.94%	32.70%	27.21%	31.03%	30.84%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from company's annual reports (2006-2010).

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel G: South Jersey Industries Inc  
(SMM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$570	\$570	\$544	\$515	\$481	\$443	[a]
Shares Outstanding (in millions) - Common	30	30	30	30	30	29	[b]
Price per Share - Common	\$55.03	\$53.24	\$38.23	\$36.95	\$36.29	\$33.21	[c]
Market Value of Common Equity	\$1,644	\$1,591	\$1,139	\$1,098	\$1,075	\$974	[d] = [b] x [c].
Market to Book Value of Common Equity	2.88	2.79	2.10	2.13	2.23	2.20	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$424	\$424	\$368	\$435	\$328	\$372	[h]
Current Liabilities	\$641	\$641	\$479	\$500	\$328	\$423	[i]
Current Portion of Long-Term Debt	\$111	\$111	\$35	\$25	\$0	\$2	[j]
Net Working Capital	(\$105)	(\$105)	(\$75)	(\$40)	\$0	(\$49)	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$251	\$251	\$197	\$213	\$118	\$195	[l]
Adjusted Short-Term Debt	\$105	\$105	\$75	\$40	\$0	\$49	[m] = See Sources and Notes.
Long-Term Debt	\$340	\$340	\$313	\$333	\$358	\$358	[n]
Book Value of Long-Term Debt	\$557	\$557	\$423	\$398	\$358	\$409	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$169	\$169	\$47	\$79	\$33	\$21	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$726	\$726	\$470	\$476	\$391	\$430	[q] = [p] + [o].
Market Value of Debt	\$726	\$726	\$470	\$476	\$391	\$430	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$2,370	\$2,316	\$1,609	\$1,575	\$1,466	\$1,404	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	69.37%	68.67%	70.80%	69.75%	73.32%	69.38%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[u] = [g] / [s].
Debt - Market Value Ratio	30.63%	31.33%	29.20%	30.25%	26.68%	30.62%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from company's annual reports (2006-2010).

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel H: Southwest Gas Corp

(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$1,167	\$1,167	\$1,102	\$1,038	\$984	\$901	[a]
Shares Outstanding (in millions) - Common	46	46	45	44	43	42	[b]
Price per Share - Common	\$38.76	\$36.49	\$28.87	\$24.33	\$29.89	\$38.33	[c]
Market Value of Common Equity	\$1,767	\$1,664	\$1,302	\$1,075	\$1,280	\$1,601	[d] = [b] x [c].
Market to Book Value of Common Equity	1.51	1.43	1.18	1.04	1.30	1.78	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[f]
Market Value of Preferred Equity	\$0	\$0	\$0	\$0	\$0	\$0	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$446	\$446	\$418	\$438	\$502	\$502	[h]
Current Liabilities	\$597	\$597	\$474	\$510	\$528	\$496	[i]
Current Portion of Long-Term Debt	\$75	\$75	\$1	\$8	\$38	\$28	[j]
Net Working Capital	(\$76)	(\$76)	(\$55)	(\$64)	\$13	\$33	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$0	\$0	\$0	\$55	\$9	\$0	[l]
Adjusted Short-Term Debt	\$0	\$0	\$0	\$55	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$1,125	\$1,125	\$1,269	\$1,285	\$1,366	\$1,386	[n]
Book Value of Long-Term Debt	\$1,200	\$1,200	\$1,271	\$1,348	\$1,404	\$1,414	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$68	\$68	\$17	(\$52)	(\$89)	\$80	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$1,267	\$1,267	\$1,287	\$1,297	\$1,316	\$1,494	[q] = [p] + [o].
Market Value of Debt	\$1,267	\$1,267	\$1,287	\$1,297	\$1,316	\$1,494	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$3,035	\$2,931	\$2,589	\$2,372	\$2,595	\$3,096	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	58.24%	56.76%	50.28%	45.33%	49.31%	51.73%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	[u] = [g] / [s].
Debt - Market Value Ratio	41.76%	43.24%	49.72%	54.67%	50.69%	48.27%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from company's annual reports (2006-2010).

Table No. MJV-14  
Market Value of the Gas LDC Sample  
Panel I: WGL Holdings Inc

(\$MM)

	DCF Capital Structure	Year End, 2010	Year End, 2009	Year End, 2008	Year End, 2007	Year End, 2006	Notes
<b>MARKET VALUE OF COMMON EQUITY</b>							
Book Value, Common Shareholder's Equity	\$1,202	\$1,202	\$1,098	\$1,048	\$981	\$922	[a]
Shares Outstanding (in millions) - Common	51	51	50	50	49	49	[b]
Price per Share - Common	\$37.98	\$36.07	\$33.75	\$31.64	\$33.08	\$32.88	[c]
Market Value of Common Equity	\$1,942	\$1,844	\$1,692	\$1,579	\$1,631	\$1,607	[d] = [b] x [c].
Market to Book Value of Common Equity	1.62	1.53	1.54	1.51	1.66	1.74	[e] = [d] / [a].
<b>MARKET VALUE OF PREFERRED EQUITY</b>							
Book Value of Preferred Equity	\$28	\$28	\$28	\$28	\$28	\$28	[f]
Market Value of Preferred Equity	\$28	\$28	\$28	\$28	\$28	\$28	[g] = [f].
<b>MARKET VALUE OF DEBT</b>							
Current Assets	\$1,025	\$1,025	\$684	\$742	\$574	\$562	[h]
Current Liabilities	\$787	\$787	\$635	\$748	\$557	\$561	[i]
Current Portion of Long-Term Debt	\$57	\$57	\$83	\$76	\$21	\$61	[j]
Net Working Capital	\$295	\$295	\$131	\$70	\$38	\$62	[k] = [h] - ([i] - [j]).
Notes Payable (Short-Term Debt)	\$93	\$93	\$184	\$271	\$184	\$177	[l]
Adjusted Short-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	[m] = See Sources and Notes.
Long-Term Debt	\$638	\$638	\$562	\$604	\$616	\$576	[n]
Book Value of Long-Term Debt	\$695	\$695	\$644	\$680	\$638	\$637	[o] = [n] + [j] + [m].
Adjustment to Book Value of Long-Term Debt	\$155	\$155	\$66	(\$39)	\$7	\$17	[p] = See Sources and Notes.
Market Value of Long-Term Debt	\$850	\$850	\$710	\$641	\$645	\$654	[q] = [p] + [o].
Market Value of Debt	\$850	\$850	\$710	\$641	\$645	\$654	[r] = [q].
<b>MARKET VALUE OF FIRM</b>							
	\$2,820	\$2,722	\$2,431	\$2,248	\$2,304	\$2,289	[s] = [d] + [g] + [r].
<b>DEBT AND EQUITY TO MARKET VALUE RATIOS</b>							
Common Equity - Market Value Ratio	68.87%	67.75%	69.62%	70.25%	70.79%	70.19%	[t] = [d] / [s].
Preferred Equity - Market Value Ratio	1.00%	1.03%	1.16%	1.25%	1.22%	1.23%	[u] = [g] / [s].
Debt - Market Value Ratio	30.13%	31.21%	29.22%	28.49%	27.98%	28.58%	[v] = [r] / [s].

Sources and Notes:

Bloomberg as of March 10, 2011.

Capital structure from Year End, 2010 calculated using respective balance sheet information and 15-day average prices ending at period end.

The DCF Capital structure is calculated using 4th Quarter, 2010 balance sheet information and a 15-trading day average closing price ending on 3/10/2011.

Prices are reported in Workpaper #1 to Table No. MJV-17.

[m] =

(1): 0 if [k] > 0.

(2): The absolute value of [k] if [k] < 0 and |[k]| < [l].

(3): [l] if [k] < 0 and |[k]| > [l].

[p]: Difference between fair value of Long-Term debt and carrying amount of Long-Term debt per company 10-K. Data for adjustment is from company's annual reports (2006-2010).

Table No. MJV-15  
Gas LDC Sample  
Capital Structure Summary

Company	Sub Sample	DCF Capital Structure			5-Year Average Capital Structure		
		Common Equity - Value Ratio	Preferred Equity - Value Ratio	Debt - Value Ratio	Common Equity - Value Ratio	Preferred Equity - Value Ratio	Debt - Value Ratio
		[1]	[2]	[3]	[4]	[5]	[6]
Atmos Energy Corp		0.56	0.00	0.44	0.54	0.00	0.46
Laclede Group Inc/The	*	0.67	0.00	0.33	0.67	0.00	0.33
New Jersey Resources Corp		0.78	0.00	0.22	0.78	0.00	0.22
NiSource Inc		0.43	0.00	0.57	0.42	0.00	0.58
Northwest Natural Gas Co	*	0.62	0.00	0.38	0.64	0.00	0.36
Piedmont Natural Gas Co	*	0.69	0.00	0.31	0.69	0.00	0.31
South Jersey Industries Inc	*	0.69	0.00	0.31	0.70	0.00	0.30
Southwest Gas Corp	*	0.58	0.00	0.42	0.51	0.00	0.49
WGL Holdings Inc	*	0.69	0.01	0.30	0.70	0.01	0.29
Average		0.64	0.00	0.36	0.63	0.00	0.37
Sub-sample Average		0.66	0.00	0.34	0.65	0.00	0.35

Sources and Notes:

[1], [4]:Workpaper #1 to Table No. MJV-15.

[2], [5]:Workpaper #2 to Table No. MJV-15.

[3], [6]:Workpaper #3 to Table No. MJV-15.

Values in this table may not add up exactly to 1.0 because of rounding.

Workpaper #1 to Table No. MJV-15

Gas LDC Sample

Calculation of the Average Common Equity - Market Value Ratio

Company	DCF Capital Structure [1]	Year End, 2010 [2]	2009 [3]	2008 [4]	2007 [5]	2006 [6]	5-Year Average [7]
Atmos Energy Corp	0.56	0.54	0.54	0.52	0.55	0.56	0.54
Laclede Group Inc/The	0.67	0.66	0.64	0.73	0.65	0.65	0.67
New Jersey Resources Corp	0.78	0.79	0.77	0.78	0.78	0.80	0.78
NiSource Inc	0.43	0.41	0.37	0.35	0.45	0.52	0.42
Northwest Natural Gas Co	0.62	0.62	0.62	0.67	0.66	0.66	0.64
Piedmont Natural Gas Co	0.69	0.69	0.67	0.73	0.69	0.69	0.69
South Jersey Industries Inc	0.69	0.69	0.71	0.70	0.73	0.69	0.70
Southwest Gas Corp	0.58	0.57	0.50	0.45	0.49	0.52	0.51
WGL Holdings Inc	0.69	0.68	0.70	0.70	0.71	0.70	0.70

Sources and Notes:

[1] - [6]: Table No. MJV-14; Panels A - I, [t].

[7]:  $\{ ([2] + [3] + [4] + [5] + [6]) / 5 \}$

Workpaper #2 to Table No. MJV-15

Gas LDC Sample

Calculation of the Average Preferred Equity - Market Value Ratio

Company	DCF Capital Structure [1]	Year End, 2010 [2]	2009 [3]	2008 [4]	2007 [5]	2006 [6]	5-Year Average [7]
Atmos Energy Corp	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Laclede Group Inc/The	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey Resources Corp	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NiSource Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Northwest Natural Gas Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Piedmont Natural Gas Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00
South Jersey Industries Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Southwest Gas Corp	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WGL Holdings Inc	0.01	0.01	0.01	0.01	0.01	0.01	0.01

Sources and Notes:

[1] - [6]: Table No. MJV-14; Panels A - I, [u].

[7]: { ([2] + [3] + [4] + [5] + [6]) / 5 }



Workpaper #3 to Table No. MJV-15

Gas LDC Sample

Calculation of the Average Debt - Market Value Ratio

Company	DCF Capital Structure [1]	Year End, 2010 [2]	2009 [3]	2008 [4]	2007 [5]	2006 [6]	5-Year Average [7]
Atmos Energy Corp	0.44	0.46	0.46	0.48	0.45	0.44	0.46
Laclede Group Inc/The	0.33	0.34	0.36	0.27	0.35	0.35	0.33
New Jersey Resources Corp	0.22	0.21	0.23	0.22	0.22	0.20	0.22
NiSource Inc	0.57	0.59	0.63	0.65	0.55	0.48	0.58
Northwest Natural Gas Co	0.38	0.38	0.38	0.33	0.34	0.34	0.36
Piedmont Natural Gas Co	0.31	0.31	0.33	0.27	0.31	0.31	0.31
South Jersey Industries Inc	0.31	0.31	0.29	0.30	0.27	0.31	0.30
Southwest Gas Corp	0.42	0.43	0.50	0.55	0.51	0.48	0.49
WGL Holdings Inc	0.30	0.31	0.29	0.28	0.28	0.29	0.29

Sources and Notes:

[1] - [6]: Table No. MJV-14; Panels A - I, [v].

[7]:  $\{ ([2] + [3] + [4] + [5] + [6]) / 5 \}$

Table No. MJV-16

## Gas LDC Sample

## Combined Bloomberg Estimated and Value Line Estimated Growth Rates

Company	Bloomberg Estimate		Value Line			Combined BEst and Value Line Growth Rate
	BEst Long-Term Growth Rate	Number of Estimates	EPS Year 2011 Estimate	EPS Year 2014 - 2016 Estimate	Annualized Growth Rate	
	[1]	[2]	[3]	[4]	[5]	
Atmos Energy Corp	5.0%	2	\$2.30	\$2.70	4.1%	4.7%
Laclede Group Inc/The	n/a	n/a	\$2.55	\$3.15	5.4%	5.4%
New Jersey Resources Corp	5.0%	1	\$2.65	\$3.15	4.4%	4.7%
NiSource Inc	8.0%	2	\$1.30	\$1.70	6.9%	7.6%
Northwest Natural Gas Co	4.0%	1	\$2.80	\$3.20	3.4%	3.7%
Piedmont Natural Gas Co	2.8%	2	\$1.60	\$1.90	4.4%	3.3%
South Jersey Industries Inc	7.0%	1	\$2.95	\$4.10	8.6%	7.8%
Southwest Gas Corp	n/a	n/a	\$2.30	\$2.90	6.0%	6.0%
WGL Holdings Inc	n/a	n/a	\$2.10	\$2.70	6.5%	6.5%

## Sources and Notes:

[1] - [2]: Bloomberg as of March 10, 2011.

[3] - [4]: Most recent Value Line Plus Edition, dated March 11, 2011.

[5]:  $([4] / [3])^{(1/4)} - 1$ .[6]:  $([1] \times [2] + [5]) / ([2] + 1)$ .

Table No. MJV-17  
 DCF Cost of Equity of the Gas LDC Sample  
 Panel A: Simple DCF Method (Quarterly)

Company	Stock Price [1]	Most Recent Dividend [2]	Quarterly Dividend Yield [3]	Combined BEst and Value Line Long-Term Growth Rate [4]	Quarterly Growth Rate [5]	DCF Cost of Equity [6]
Atmos Energy Corp	\$34.17	\$0.34	0.99%	4.7%	1.2%	8.9%
Laclede Group Inc/The	\$38.49	\$0.41	1.05%	5.4%	1.3%	9.9%
New Jersey Resources Corp	\$41.98	\$0.36	0.86%	4.7%	1.2%	8.3%
NiSource Inc	\$19.04	\$0.23	1.21%	7.6%	1.9%	12.9%
Northwest Natural Gas Co	\$47.07	\$0.23	0.49%	3.7%	0.9%	5.7%
Piedmont Natural Gas Co	\$29.56	\$0.28	0.95%	3.3%	0.8%	7.3%
South Jersey Industries Inc	\$55.03	\$0.37	0.66%	7.8%	1.9%	10.7%
Southwest Gas Corp	\$38.76	\$0.25	0.65%	6.0%	1.5%	8.7%
WGL Holdings Inc	\$37.98	\$0.38	0.99%	6.5%	1.6%	10.8%

Sources and Notes:

[1]: Workpaper #1 to Table No. MJV-17.

[2]: Workpaper #2 to Table No. MJV-17.

[3]: [2] / [1].

[4]: Table No. MJV-16, [6].

[5]:  $\{(1 + [4])^{(1/4)}\} - 1$ .

[6]:  $\{((([2] / [1]) \times (1 + [5]) + [5] + 1)^4) - 1\}$ .

Table No. MJV-17

## DCF Cost of Equity of the Gas LDC Sample

## Panel B: Multi-Stage DCF (Using Blue Chip Long-Term GDP Growth Forecast as the Perpetual Rate)

Company	Stock Price [1]	Most Recent Dividend [2]	Combined BEst and <i>Value Line</i> Long-Term					GDP Long- Term Growth Rate [9]	DCF Cost of Equity [10]
			Growth Rate [3]	Growth Rate: Year 6 [4]	Growth Rate: Year 7 [5]	Growth Rate: Year 8 [6]	Growth Rate: Year 9 [7]		
Atmos Energy Corp	\$34.17	\$0.34	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	8.9%
Laclede Group Inc/The	\$38.49	\$0.41	5.4%	5.3%	5.2%	5.1%	4.9%	4.7%	9.4%
New Jersey Resources Corp	\$41.98	\$0.36	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	8.3%
NiSource Inc	\$19.04	\$0.23	7.6%	7.1%	6.6%	6.2%	5.7%	4.7%	10.8%
Northwest Natural Gas Co	\$47.07	\$0.23	3.7%	3.9%	4.0%	4.2%	4.4%	4.7%	6.6%
Piedmont Natural Gas Co	\$29.56	\$0.28	3.3%	3.6%	3.8%	4.0%	4.2%	4.7%	8.4%
South Jersey Industries Inc	\$55.03	\$0.37	7.8%	7.3%	6.8%	6.2%	5.7%	4.7%	8.1%
Southwest Gas Corp	\$38.76	\$0.25	6.0%	5.8%	5.5%	5.3%	5.1%	4.7%	7.6%
WGL Holdings Inc	\$37.98	\$0.38	6.5%	6.2%	5.9%	5.6%	5.3%	4.7%	9.3%

## Sources and Notes:

[1]: Workpaper #1 to Table No. MJV-17.

[2]: Workpaper #2 to Table No. MJV-17.

[3]: Table No. MJV-16, [6].

[4]: [3] - {[3] - [9]}/ 6}.

[5]: [4] - {[3] - [9]}/ 6}.

[6]: [5] - {[3] - [9]}/ 6}.

[7]: [6] - {[3] - [9]}/ 6}.

[8]: [7] - {[3] - [9]}/ 6}.

[9]: Blue Chip Economic Indicators published March 10, 2011. This number is assumed to be the perpetual growth rate. (See Appendix D).

[10]: Workpaper #3 to Table No. MJV-17.

Table No. MJV-18  
Overall Cost of Capital of the Gas LDC Sample  
Panel A: Simple DCF Method (Quarterly)

Company	4th Quarter, 2010 Bond Rating [1]	4th Quarter, 2010 Preferred Equity Rating [2]	DCF Cost of Equity [3]	DCF Common Equity to Market Value Ratio [4]	Cost of Preferred Equity [5]	DCF Preferred Equity to Market Value Ratio [6]	DCF Cost of Debt [7]	DCF Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After- Tax Cost of Capital [10]
Atmos Energy Corp	BBB	BBB	8.9%	0.56	6.7%	0.00	6.0%	0.44	40.7%	6.6%
Laclede Group Inc/The	* A	A	9.9%	0.67	5.8%	0.00	5.6%	0.33	40.7%	7.8%
New Jersey Resources Corp	A	A	8.3%	0.78	5.8%	0.00	5.6%	0.22	40.7%	7.3%
NiSource Inc	BBB	BBB	12.9%	0.43	6.7%	0.00	6.0%	0.57	40.7%	7.6%
Northwest Natural Gas Co	* A	A	5.7%	0.62	5.8%	0.00	5.6%	0.38	40.7%	4.8%
Piedmont Natural Gas Co	* A	A	7.3%	0.69	5.8%	0.00	5.6%	0.31	40.7%	6.1%
South Jersey Industries Inc	* BBB	BBB	10.7%	0.69	6.7%	0.00	6.0%	0.31	40.7%	8.5%
Southwest Gas Corp	* BBB	BBB	8.7%	0.58	6.7%	0.00	6.0%	0.42	40.7%	6.6%
WGL Holdings Inc	* AA	AA	10.8%	0.69	5.4%	0.01	5.4%	0.30	40.7%	8.4%
Full Sample Average			9.7%	0.64	6.2%	0.00	5.8%	0.36	40.7%	7.4%
Sub-sample Average			9.5%	0.67	6.1%	0.00	5.7%	0.33	40.7%	7.5%

Sources and Notes:

[1]: Bloomberg as of March 10, 2011.  
[2]: Preferred ratings were assumed equal to debt ratings.  
[3]: Table No. MJV-17; Panel A, [6].  
[4]: Table No. MJV-15, [1].  
[5]: Workpaper #2 to Table No. MJV-11, Panel A.  
[6]: Table No. MJV-15, [2].  
[7]: Workpaper #2 to Table No. MJV-11, Panel A.  
[8]: Table No. MJV-15, [3].

[9]: Provided by California Water Service Group.  
[10]:  $([3] \times [4]) + ([5] \times [6]) + \{[7] \times [8] \times (1 - [9])\}$ .  
\* Indicates inclusion in sub-sample.

Table No. MJV-18

## Overall Cost of Capital of the Gas LDC Sample

## Panel B: Multi-Stage DCF (Using Blue Chip Long-Term GDP Growth Forecast as the Perpetual Rate)

Company	4th Quarter, 2010 Bond Rating [1]	4th Quarter, 2010 Preferred Equity Rating [2]	DCF Cost of Equity [3]	DCF Common Equity to Market Value Ratio [4]	Cost of Preferred Equity [5]	DCF Preferred Equity to Market Value Ratio [6]	DCF Cost of Debt [7]	DCF Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After- Tax Cost of Capital [10]
Atmos Energy Corp	BBB	BBB	8.9%	0.56	6.7%	0.00	6.0%	0.44	40.7%	6.6%
Laclede Group Inc/The	* A	A	9.4%	0.67	5.8%	0.00	5.6%	0.33	40.7%	7.4%
New Jersey Resources Corp	A	A	8.3%	0.78	5.8%	0.00	5.6%	0.22	40.7%	7.3%
NiSource Inc	BBB	BBB	10.8%	0.43	6.7%	0.00	6.0%	0.57	40.7%	6.7%
Northwest Natural Gas Co	* A	A	6.6%	0.62	5.8%	0.00	5.6%	0.38	40.7%	5.4%
Piedmont Natural Gas Co	* A	A	8.4%	0.69	5.8%	0.00	5.6%	0.31	40.7%	6.8%
South Jersey Industries Inc	* BBB	BBB	8.1%	0.69	6.7%	0.00	6.0%	0.31	40.7%	6.7%
Southwest Gas Corp	* BBB	BBB	7.6%	0.58	6.7%	0.00	6.0%	0.42	40.7%	5.9%
WGL Holdings Inc	* AA	AA	9.3%	0.69	5.4%	0.01	5.4%	0.30	40.7%	7.5%
Full Sample Average			8.6%	0.64	6.2%	0.00	5.8%	0.36	40.7%	6.7%
Sub-sample Average			8.2%	0.66	6.0%	0.00	5.7%	0.34	40.7%	6.6%

## Sources and Notes:

[1]: Bloomberg as of March 10, 2011.

[2]: Preferred ratings were assumed equal to debt ratings.

[3]: Table No. MJV-17; Panel B, [10].

[4]: Table No. MJV-15, [1].

[5]: Workpaper #2 to Table No. MJV-11, Panel A.

[6]: Table No. MJV-15, [2].

[7]: Workpaper #2 to Table No. MJV-11, Panel A.

[8]: Table No. MJV-15, [3].

[9]: Provided by California Water Service Group.

[10]:  $([3] \times [4]) + ([5] \times [6]) + \{[7] \times [8] \times (1 - [9])\}$ .

\* Indicates inclusion in sub-sample.

Workpaper #1 to Table No. MJV-17

Gas LDC Sample

Common Stock Prices from February 17, 2011 to March 10, 2011

Company	3/10/2011	3/9/2011	3/8/2011	3/7/2011	3/4/2011	3/3/2011	3/2/2011	3/1/2011	2/28/2011	2/25/2011	2/24/2011	2/23/2011	2/22/2011	2/18/2011	2/17/2011	Average
Atmos Energy Corp	\$33.92	\$34.79	\$34.98	\$34.83	\$34.75	\$34.85	\$34.29	\$33.86	\$33.82	\$33.73	\$33.26	\$33.37	\$34.07	\$34.13	\$33.93	\$34.17
Laclede Group Inc/The	\$37.43	\$38.35	\$38.86	\$38.40	\$38.70	\$38.94	\$38.45	\$38.30	\$38.89	\$38.78	\$38.14	\$38.08	\$38.56	\$38.83	\$38.61	\$38.49
New Jersey Resources Corp	\$41.99	\$43.15	\$43.09	\$42.46	\$42.44	\$42.73	\$41.98	\$41.73	\$41.83	\$41.86	\$41.14	\$40.97	\$41.27	\$41.71	\$41.40	\$41.98
NiSource Inc	\$18.93	\$19.52	\$19.32	\$19.09	\$19.08	\$19.23	\$18.98	\$18.86	\$19.16	\$18.95	\$18.73	\$18.67	\$18.90	\$19.10	\$19.07	\$19.04
Northwest Natural Gas Co	\$47.01	\$48.35	\$48.47	\$48.24	\$48.15	\$48.29	\$47.19	\$46.70	\$47.00	\$46.05	\$45.52	\$45.74	\$46.33	\$46.81	\$46.20	\$47.07
Piedmont Natural Gas Co	\$29.87	\$30.70	\$30.71	\$30.26	\$30.14	\$30.15	\$29.63	\$29.24	\$29.30	\$29.30	\$28.85	\$28.60	\$28.93	\$29.07	\$28.69	\$29.56
South Jersey Industries Inc	\$54.76	\$56.47	\$56.56	\$56.23	\$56.39	\$57.02	\$55.71	\$54.79	\$54.86	\$54.42	\$53.27	\$53.24	\$53.79	\$54.18	\$53.83	\$55.03
Southwest Gas Corp	\$38.13	\$39.48	\$39.68	\$39.05	\$39.26	\$39.40	\$38.94	\$38.71	\$38.87	\$38.93	\$38.04	\$37.81	\$38.21	\$38.58	\$38.27	\$38.76
WGL Holdings Inc	\$37.72	\$38.58	\$38.53	\$38.30	\$38.65	\$38.54	\$38.07	\$37.49	\$38.00	\$37.84	\$37.20	\$37.29	\$37.76	\$37.97	\$37.80	\$37.98

Sources and Notes:

Bloomberg as of March 10, 2011.

Daily prices for the 15-trading day period ending March 10, 2011.

Workpaper #2 to Table No. MJV-17

Gas LDC Sample

Most Recent Paid Dividends

Company	Most Recent Dividend
Atmos Energy Corp	\$0.34
Laclede Group Inc/The	\$0.41
New Jersey Resources Corp	\$0.36
NiSource Inc	\$0.23
Northwest Natural Gas Co	\$0.23
Piedmont Natural Gas Co	\$0.28
South Jersey Industries Inc	\$0.37
Southwest Gas Corp	\$0.25
WGL Holdings Inc	\$0.38

Sources and Notes:

Bloomberg as of March 10, 2011.



Workpaper #3 to Table No. MJV-17

DCF Cost of Equity of the Gas LDC Sample

Multi - Stage DCF (using Blue Chip Economic Indicator Long-Term GDP Growth Forecast as the Perpetual Growth Rate)

Year	Company	Atmos Energy Corp	Laclede Group Inc/The	New Jersey Resources Corp	NiSource Inc	Northwest Natural Gas Co	Piedmont Natural Gas Co	South Jersey Industries Inc	Southwest Gas Corp	WGL Holdings Inc
	Current Dividend	\$0.34	\$0.41	\$0.36	\$0.23	\$0.23	\$0.28	\$0.37	\$0.25	\$0.38
	Current Stock Price	(\$34.17)	(\$38.49)	(\$41.98)	(\$19.04)	(\$47.07)	(\$29.56)	(\$55.03)	(\$38.76)	(\$37.98)
YEAR 2011	Dividend Q2 Estimate	\$0.34	\$0.41	\$0.36	\$0.23	\$0.23	\$0.28	\$0.37	\$0.25	\$0.38
YEAR 2011	Dividend Q3 Estimate	\$0.35	\$0.42	\$0.37	\$0.24	\$0.23	\$0.28	\$0.38	\$0.25	\$0.38
YEAR 2011	Dividend Q4 Estimate	\$0.35	\$0.42	\$0.37	\$0.24	\$0.24	\$0.29	\$0.39	\$0.26	\$0.39
YEAR 2012	Dividend Q1 Estimate	\$0.36	\$0.43	\$0.38	\$0.25	\$0.24	\$0.29	\$0.39	\$0.26	\$0.40
YEAR 2012	Dividend Q2 Estimate	\$0.36	\$0.43	\$0.38	\$0.25	\$0.24	\$0.29	\$0.40	\$0.26	\$0.40
YEAR 2012	Dividend Q3 Estimate	\$0.36	\$0.44	\$0.39	\$0.26	\$0.24	\$0.29	\$0.41	\$0.27	\$0.41
YEAR 2012	Dividend Q4 Estimate	\$0.37	\$0.44	\$0.39	\$0.26	\$0.25	\$0.30	\$0.42	\$0.27	\$0.41
YEAR 2013	Dividend Q1 Estimate	\$0.37	\$0.45	\$0.39	\$0.27	\$0.25	\$0.30	\$0.42	\$0.28	\$0.42
YEAR 2013	Dividend Q2 Estimate	\$0.38	\$0.46	\$0.40	\$0.27	\$0.25	\$0.30	\$0.43	\$0.28	\$0.43
YEAR 2013	Dividend Q3 Estimate	\$0.38	\$0.46	\$0.40	\$0.28	\$0.25	\$0.30	\$0.44	\$0.28	\$0.43
YEAR 2013	Dividend Q4 Estimate	\$0.39	\$0.47	\$0.41	\$0.28	\$0.25	\$0.31	\$0.45	\$0.29	\$0.44
YEAR 2014	Dividend Q1 Estimate	\$0.39	\$0.47	\$0.41	\$0.29	\$0.26	\$0.31	\$0.46	\$0.29	\$0.45
YEAR 2014	Dividend Q2 Estimate	\$0.39	\$0.48	\$0.42	\$0.29	\$0.26	\$0.31	\$0.47	\$0.30	\$0.46
YEAR 2014	Dividend Q3 Estimate	\$0.40	\$0.49	\$0.42	\$0.30	\$0.26	\$0.31	\$0.47	\$0.30	\$0.46
YEAR 2014	Dividend Q4 Estimate	\$0.40	\$0.49	\$0.43	\$0.30	\$0.26	\$0.32	\$0.48	\$0.31	\$0.47
YEAR 2015	Dividend Q1 Estimate	\$0.41	\$0.50	\$0.43	\$0.31	\$0.27	\$0.32	\$0.49	\$0.31	\$0.48
YEAR 2015	Dividend Q2 Estimate	\$0.41	\$0.51	\$0.44	\$0.31	\$0.27	\$0.32	\$0.50	\$0.32	\$0.49
YEAR 2015	Dividend Q3 Estimate	\$0.42	\$0.51	\$0.44	\$0.32	\$0.27	\$0.32	\$0.51	\$0.32	\$0.49
YEAR 2015	Dividend Q4 Estimate	\$0.42	\$0.52	\$0.45	\$0.33	\$0.27	\$0.33	\$0.52	\$0.32	\$0.50
YEAR 2016	Dividend Q1 Estimate	\$0.43	\$0.53	\$0.45	\$0.33	\$0.28	\$0.33	\$0.53	\$0.33	\$0.51
YEAR 2016	Dividend Q2 Estimate	\$0.43	\$0.53	\$0.46	\$0.34	\$0.28	\$0.33	\$0.54	\$0.33	\$0.52
YEAR 2016	Dividend Q3 Estimate	\$0.44	\$0.54	\$0.46	\$0.34	\$0.28	\$0.34	\$0.55	\$0.34	\$0.52
YEAR 2016	Dividend Q4 Estimate	\$0.44	\$0.55	\$0.47	\$0.35	\$0.28	\$0.34	\$0.56	\$0.34	\$0.53
YEAR 2017	Dividend Q1 Estimate	\$0.45	\$0.56	\$0.47	\$0.36	\$0.29	\$0.34	\$0.57	\$0.35	\$0.54
YEAR 2017	Dividend Q2 Estimate	\$0.45	\$0.56	\$0.48	\$0.36	\$0.29	\$0.34	\$0.58	\$0.35	\$0.55
YEAR 2017	Dividend Q3 Estimate	\$0.46	\$0.57	\$0.49	\$0.37	\$0.29	\$0.35	\$0.59	\$0.36	\$0.56
YEAR 2017	Dividend Q4 Estimate	\$0.46	\$0.58	\$0.49	\$0.37	\$0.30	\$0.35	\$0.60	\$0.36	\$0.56
YEAR 2018	Dividend Q1 Estimate	\$0.47	\$0.58	\$0.50	\$0.38	\$0.30	\$0.35	\$0.61	\$0.37	\$0.57
YEAR 2018	Dividend Q2 Estimate	\$0.47	\$0.59	\$0.50	\$0.38	\$0.30	\$0.36	\$0.62	\$0.37	\$0.58
YEAR 2018	Dividend Q3 Estimate	\$0.48	\$0.60	\$0.51	\$0.39	\$0.30	\$0.36	\$0.63	\$0.38	\$0.59
YEAR 2018	Dividend Q4 Estimate	\$0.49	\$0.61	\$0.51	\$0.40	\$0.31	\$0.37	\$0.64	\$0.38	\$0.60
YEAR 2019	Dividend Q1 Estimate	\$0.49	\$0.61	\$0.52	\$0.40	\$0.31	\$0.37	\$0.65	\$0.39	\$0.60
YEAR 2019	Dividend Q2 Estimate	\$0.50	\$0.62	\$0.53	\$0.41	\$0.31	\$0.37	\$0.66	\$0.39	\$0.61
YEAR 2019	Dividend Q3 Estimate	\$0.50	\$0.63	\$0.53	\$0.41	\$0.32	\$0.38	\$0.66	\$0.40	\$0.62
YEAR 2019	Dividend Q4 Estimate	\$0.51	\$0.64	\$0.54	\$0.42	\$0.32	\$0.38	\$0.67	\$0.40	\$0.63
YEAR 2020	Dividend Q1 Estimate	\$0.51	\$0.64	\$0.54	\$0.43	\$0.32	\$0.38	\$0.68	\$0.41	\$0.64
YEAR 2020	Dividend Q2 Estimate	\$0.52	\$0.65	\$0.55	\$0.43	\$0.33	\$0.39	\$0.69	\$0.41	\$0.64
YEAR 2020	Dividend Q3 Estimate	\$0.53	\$0.66	\$0.56	\$0.44	\$0.33	\$0.39	\$0.70	\$0.42	\$0.65
YEAR 2020	Dividend Q4 Estimate	\$0.53	\$0.67	\$0.56	\$0.44	\$0.34	\$0.40	\$0.71	\$0.42	\$0.66
YEAR 2021	Dividend Q1 Estimate	\$0.54	\$0.68	\$0.57	\$0.45	\$0.34	\$0.40	\$0.72	\$0.43	\$0.67
YEAR 2021 Q2	Year 10 Stock Price	\$55.26	\$62.78	\$67.80	\$32.08	\$75.35	\$47.17	\$90.93	\$63.02	\$62.61
	Trial COE: Quarterly Rate	2.2%	2.3%	2.0%	2.6%	1.6%	2.0%	2.0%	1.9%	2.3%
	Trial COE: Annual Rate	8.9%	9.4%	8.3%	10.8%	6.6%	8.4%	8.1%	7.6%	9.3%
	Cost of Equity	8.9%	9.4%	8.3%	10.8%	6.6%	8.4%	8.1%	7.6%	9.3%
	(Trial COE - COE) x 100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sources and Notes:

All Growth Rate Estimates: Table No. MJV-17; Panel B.

Stock Prices and Dividends are from Bloomberg as of March 10, 2011.

1. See Workpaper #1 to Table No. MJV-17 for the average closing stock price obtained from Bloomberg.
2. See Workpaper #2 to Table No. MJV-17 for the for the quarterly dividend obtained from Bloomberg.
3. The Blue Chip Economic Indicator Long-Term GDP Growth Rate is used to calculate the Year 10 Stock Price.  

$$\frac{\{(the\ Dividend\ Year\ 2021\ Q2\ Estimate) \times ((1 + the\ Perpetual\ Growth\ Rate)^{(1/4)} \times (1 + Trial\ COE - Quarterly\ Rate))\}}{\{(Trial\ COE - Quarterly\ Rate) - ((1 + the\ Perpetual\ Growth\ Rate)^{(1/4)} - 1)\}}$$

Table No. MJV-19  
DCF Cost of Equity at California Water Service Group Capital Structure  
Gas LDC Sample

	Overall Cost of Capital [1]	California Water Service Group's Regulatory % Debt [2]	California Water Service Group's Cost of Debt [3]	California Water Service Group's Income Tax Rate [4]	California Water Service Group's Regulatory % Preferred Equity [5]	Service Group's Cost of Preferred Equity [6]	California Water Service Group's Regulatory % Equity [7]	Estimated Return on Equity [8]
<b>Full Sample</b>								
Simple DCF Quarterly	7.4%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	10.9%
Multi-Stage DCF - Using the Blue Chip Economic Indicator Long-Term GDP Growth Forecast as the Perpetual Rate	6.7%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	9.7%
<b>Sub-Sample</b>								
Simple DCF Quarterly	7.5%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.2%
Multi-Stage DCF - Using the Blue Chip Economic Indicator Long-Term GDP Growth Forecast as the Perpetual Rate	6.6%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	9.5%

Sources and Notes:

[1]: Table No. MJV-18; Panels A-B, [10].

[2]: Provided by California Water Service Group.

[3]: Based on an A rating. Yield from Bloomberg as of March 10, 2011.

[4]: Provided by California Water Service Group.

[5]: Provided by California Water Service Group.

[6]: From Mergent Bond Record, January 2011 Edition.

[7]: Provided by California Water Service Group.

[8]:  $\{[1] - ([2] \times [3] \times (1 - [4]) + [5] \times [6])\} / [7]$ .

Table No. MJV-20  
Risk Positioning Cost of Equity of the Gas LDC Sample  
Using Brattle Betas

Panel A: Scenario 1 - Long-Term Risk Free Rate of 4.74%, Long-Term Market Risk Premium of 6.50%

Company	Long-Term Risk-Free Rate [1]	Brattle Betas [2]	Long-Term Market Risk Premium [3]	CAPM Cost of Equity [4]	ECAPM (0.5%) Cost of Equity [5]	ECAPM (1.5%) Cost of Equity [6]
Atmos Energy Corp	4.74%	0.71	6.50%	9.3%	9.5%	9.8%
Laclede Group Inc/The	4.74%	0.67	6.50%	9.1%	9.2%	9.6%
New Jersey Resources Corp	4.74%	0.69	6.50%	9.2%	9.4%	9.7%
NiSource Inc	4.74%	0.89	6.50%	10.5%	10.6%	10.7%
Northwest Natural Gas Co	4.74%	0.73	6.50%	9.5%	9.6%	9.9%
Piedmont Natural Gas Co	4.74%	0.77	6.50%	9.8%	9.9%	10.1%
South Jersey Industries Inc	4.74%	0.70	6.50%	9.3%	9.5%	9.8%
Southwest Gas Corp	4.74%	0.85	6.50%	10.2%	10.3%	10.5%
WGL Holdings Inc	4.74%	0.71	6.50%	9.3%	9.5%	9.8%

Sources and Notes:

[1]: Table No. MJV-9, Panel A, Computation of U.S. Long-Term Risk-Free Rate plus adjustment factor.

[2]: Workpaper # 1 to Table No. MJV-20, column [3].

[3]: Vilbert Direct Testimony, Appendix C.

[4]: [1] + ([2] x [3]).

[5]: ([1] + 0.5%) + [2] x ([3] - 0.5%).

[6]: ([1] + 1.5%) + [2] x ([3] - 1.5%).

Table No. MJV-20  
Risk Positioning Cost of Equity of the Gas LDC Sample  
Using Brattle Betas

Panel B: Scenario 2 - Long-Term Risk Free Rate of 4.61%, Long-Term Market Risk Premium of 7.00%

Company	Long-Term Risk-Free Rate [1]	Brattle Betas [2]	Long-Term Market Risk Premium [3]	CAPM Cost of Equity [4]	ECAPM (0.5%) Cost of Equity [5]	ECAPM (1.5%) Cost of Equity [6]
Atmos Energy Corp	4.61%	0.71	7.00%	9.6%	9.7%	10.0%
Laclede Group Inc/The	4.61%	0.67	7.00%	9.3%	9.5%	9.8%
New Jersey Resources Corp	4.61%	0.69	7.00%	9.4%	9.6%	9.9%
NiSource Inc	4.61%	0.89	7.00%	10.8%	10.9%	11.0%
Northwest Natural Gas Co	4.61%	0.73	7.00%	9.7%	9.8%	10.1%
Piedmont Natural Gas Co	4.61%	0.77	7.00%	10.0%	10.1%	10.4%
South Jersey Industries Inc	4.61%	0.70	7.00%	9.5%	9.7%	10.0%
Southwest Gas Corp	4.61%	0.85	7.00%	10.5%	10.6%	10.8%
WGL Holdings Inc	4.61%	0.71	7.00%	9.6%	9.7%	10.0%

Sources and Notes:

[1]: Table No. MJV-9, Panel A, Computation of U.S. Long-Term Risk-Free Rate plus adjustment factor.

[2]: Workpaper # 1 to Table No. MJV-20, column [3].

[3]: Vilbert Direct Testimony, Appendix C.

[4]: [1] + ([2] x [3]).

[5]: ([1] + 0.5%) + [2] x ([3] - 0.5%).

[6]: ([1] + 1.5%) + [2] x ([3] - 1.5%).

Table No. MJV-20  
Risk Positioning Cost of Equity of the Gas LDC Sample  
Using Brattle Betas

Panel C: Scenario 3 - Long-Term Risk Free Rate of 4.49%, Long-Term Market Risk Premium of 7.50%

Company	Long-Term Risk-Free Rate [1]	Brattle Betas [2]	Long-Term Market Risk Premium [3]	CAPM Cost of Equity [4]	ECAPM (0.5%) Cost of Equity [5]	ECAPM (1.5%) Cost of Equity [6]
Atmos Energy Corp	4.49%	0.71	7.50%	9.8%	9.9%	10.2%
Laclede Group Inc/The	4.49%	0.67	7.50%	9.5%	9.7%	10.0%
New Jersey Resources Corp	4.49%	0.69	7.50%	9.6%	9.8%	10.1%
NiSource Inc	4.49%	0.89	7.50%	11.1%	11.2%	11.3%
Northwest Natural Gas Co	4.49%	0.73	7.50%	9.9%	10.1%	10.3%
Piedmont Natural Gas Co	4.49%	0.77	7.50%	10.3%	10.4%	10.6%
South Jersey Industries Inc	4.49%	0.70	7.50%	9.8%	9.9%	10.2%
Southwest Gas Corp	4.49%	0.85	7.50%	10.8%	10.9%	11.1%
WGL Holdings Inc	4.49%	0.71	7.50%	9.8%	9.9%	10.2%

Sources and Notes:

[1]: Table No. MJV-9, Panel A, Computation of U.S. Long-Term Risk-Free Rate plus adjustment factor.

[2]: Workpaper # 1 to Table No. MJV-20, column [3].

[3]: Vilbert Direct Testimony, Appendix C.

[4]: [1] + ([2] x [3]).

[5]: ([1] + 0.5%) + [2] x ([3] - 0.5%).

[6]: ([1] + 1.5%) + [2] x ([3] - 1.5%).

Workpaper # 1 to Table No. MJV-20

Gas LDC Sample

Value Line Betas, Bloomberg Betas and Brattle Betas

Company	Value Line	Bloomberg Betas	Brattle
	Betas		Betas
	[1]	[2]	[3]
Atmos Energy Corp	0.65	0.78	0.71
Laclede Group Inc/The	0.60	0.72	0.67
New Jersey Resources Corp	0.65	0.72	0.69
NiSource Inc	0.85	0.90	0.89
Northwest Natural Gas Co	0.60	0.69	0.73
Piedmont Natural Gas Co	0.65	0.73	0.77
South Jersey Industries Inc	0.65	0.71	0.70
Southwest Gas Corp	0.75	0.91	0.85
WGL Holdings Inc	0.65	0.74	0.71
Average	0.67	0.77	0.75

Sources and Notes:

[2]: Brattle calculated beta using data from Bloomberg.  
260-week beta as of March 9, 2011.

[3]: Bloomberg five year weekly beta from March 10, 2006 to March 4, 2011.

Table No. MJV-21  
Overall Cost of Capital of the Gas LDC Sample  
Using Brattle Betas

Panel A: CAPM Cost of Equity Scenario I - Long-Term Risk Free Rate of 4.74%, Long-Term Market Risk Premium of 6.50%

Company	CAPM Cost of Equity [1]	ECAPM (0.5%) Cost of Equity [2]	ECAPM (1.5%) Cost of Equity [3]	5-Year Average Common Equity to Market Value Ratio [4]	Weighted - Average Cost of Preferred Equity [5]	5-Year Average Preferred Equity to Market Value Ratio [6]	Weighted-Average Cost of Debt [7]	5-Year Average Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After-Tax Cost of Capital (CAPM) [10]	Overall After-Tax Cost of Capital (ECAPM 0.5%) [11]	Overall After-Tax Cost of Capital (ECAPM 1.5%) [12]
Atmos Energy Corp	9.3%	9.5%	9.8%	0.54	6.68%	0.00	6.0%	0.46	40.7%	6.7%	6.8%	6.9%
Laclede Group Inc/The	9.1%	9.2%	9.6%	0.67	5.83%	0.00	5.6%	0.33	40.7%	7.2%	7.3%	7.5%
New Jersey Resources Corp	9.2%	9.4%	9.7%	0.78	5.83%	0.00	5.6%	0.22	40.7%	7.9%	8.1%	8.3%
NiSource Inc	10.5%	10.6%	10.7%	0.42	6.68%	0.00	6.0%	0.58	40.7%	6.5%	6.5%	6.5%
Northwest Natural Gas Co	9.5%	9.6%	9.9%	0.64	5.49%	0.00	5.4%	0.36	40.7%	7.2%	7.3%	7.5%
Piedmont Natural Gas Co	9.8%	9.9%	10.1%	0.69	5.83%	0.00	5.6%	0.31	40.7%	7.8%	7.9%	8.0%
South Jersey Industries Inc	9.3%	9.5%	9.8%	0.70	6.68%	0.00	6.0%	0.30	40.7%	7.6%	7.7%	7.9%
Southwest Gas Corp	10.2%	10.3%	10.5%	0.51	6.68%	0.00	6.0%	0.49	40.7%	6.9%	7.0%	7.1%
WGL Holdings Inc	9.3%	9.5%	9.8%	0.70	5.41%	0.01	5.4%	0.29	40.7%	7.5%	7.6%	7.8%
Full Sample Average				0.63	6.12%	0.00	5.8%	0.37	40.7%	7.3%	7.3%	7.5%
Sub-Sample Average				0.65	5.99%	0.00	5.7%	0.35	40.7%	7.4%	7.5%	7.6%

Sources and Notes:

- [1]: Table No. MJV-20; Panel A, [4].  
[2]: Table No. MJV-20; Panel A, [5].  
[3]: Table No. MJV-20; Panel A, [6].  
[4]: Table No. MJV-15, [4].  
[5]: Workpaper #2 to Table No. MJV-21, Panel C.  
[6]: Table No. MJV-15, [5].  
[7]: Workpaper #2 to Table No. MJV-21, Panel B.  
[8]: Table No. MJV-15, [6].  
[9]: Provided by California Water Service Group.  
[10]:  $\{(1) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .  
[11]:  $\{(2) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .  
[12]:  $\{(3) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .

Table No. MJV-21  
Overall Cost of Capital of the Gas LDC Sample  
Using Brattle Betas

Panel B: CAPM Cost of Equity Scenario 2 - Long-Term Risk Free Rate of 4.61%, Long-Term Market Risk Premium of 7.00%

Company	CAPM Cost of Equity [1]	ECAPM (0.5%) Cost of Equity [2]	ECAPM (1.5%) Cost of Equity [3]	5-Year Average Common Equity to Market Value Ratio [4]	Weighted - Average Cost of Preferred Equity [5]	5-Year Average Preferred Equity to Market Value Ratio [6]	Weighted-Average Cost of Debt [7]	5-Year Average Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After-Tax Cost of Capital (CAPM) [10]	Overall After-Tax Cost of Capital (ECAPM 0.5%) [11]	Overall After-Tax Cost of Capital (ECAPM 1.5%) [12]
Atmos Energy Corp	9.6%	9.7%	10.0%	0.54	6.68%	0.00	6.0%	0.46	40.7%	6.8%	6.9%	7.1%
Laclede Group Inc/The	9.3%	9.5%	9.8%	0.67	5.83%	0.00	5.6%	0.33	40.7%	7.3%	7.4%	7.6%
New Jersey Resources Corp	9.4%	9.6%	9.9%	0.78	5.83%	0.00	5.6%	0.22	40.7%	8.1%	8.2%	8.5%
NiSource Inc	10.8%	10.9%	11.0%	0.42	6.68%	0.00	6.0%	0.58	40.7%	6.6%	6.6%	6.7%
Northwest Natural Gas Co	9.7%	9.8%	10.1%	0.64	5.49%	0.00	5.4%	0.36	40.7%	7.4%	7.5%	7.7%
Piedmont Natural Gas Co	10.0%	10.1%	10.4%	0.69	5.83%	0.00	5.6%	0.31	40.7%	8.0%	8.1%	8.2%
South Jersey Industries Inc	9.5%	9.7%	10.0%	0.70	6.68%	0.00	6.0%	0.30	40.7%	7.8%	7.9%	8.1%
Southwest Gas Corp	10.5%	10.6%	10.8%	0.51	6.68%	0.00	6.0%	0.49	40.7%	7.1%	7.1%	7.2%
WGL Holdings Inc	9.6%	9.7%	10.0%	0.70	5.41%	0.01	5.4%	0.29	40.7%	7.7%	7.8%	8.0%
Full Sample Average				0.63	6.12%	0.00	5.8%	0.37	40.7%	7.4%	7.5%	7.7%
Sub-Sample Average				0.65	5.99%	0.00	5.7%	0.35	40.7%	7.5%	7.6%	7.8%

Sources and Notes:

- [1]: Table No. MJV-20; Panel B, [4].  
[2]: Table No. MJV-20; Panel B, [5].  
[3]: Table No. MJV-20; Panel B, [6].  
[4]: Table No. MJV-15, [4].  
[5]: Workpaper #2 to Table No. MJV-21, Panel C.  
[6]: Table No. MJV-15, [5].  
[7]: Workpaper #2 to Table No. MJV-21, Panel B.  
[8]: Table No. MJV-15, [6].  
[9]: Provided by California Water Service Group.  
[10]:  $\{(1) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .  
[11]:  $\{(2) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .  
[12]:  $\{(3) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .



Table No. MJV-21  
Overall Cost of Capital of the Gas LDC Sample  
Using Brattle Betas

Panel C: CAPM Cost of Equity Scenario 3 - Long-Term Risk Free Rate of 4.49%, Long-Term Market Risk Premium of 7.50%

Company	CAPM Cost of Equity [1]	ECAPM (0.5%) Cost of Equity [2]	ECAPM (1.5%) Cost of Equity [3]	5-Year Average Common Equity to Market Value Ratio [4]	Weighted - Average Cost of Preferred Equity [5]	5-Year Average Preferred Equity to Market Value Ratio [6]	Weighted-Average Cost of Debt [7]	5-Year Average Debt to Market Value Ratio [8]	California Water Service Group's Income Tax Rate [9]	Overall After-Tax Cost of Capital (CAPM) [10]	Overall After-Tax Cost of Capital (ECAPM 0.5%) [11]	Overall After-Tax Cost of Capital (ECAPM 1.5%) [12]
Atmos Energy Corp	9.8%	9.9%	10.2%	0.54	6.68%	0.00	6.0%	0.46	40.7%	6.9%	7.0%	7.2%
Laclede Group Inc/The	9.5%	9.7%	10.0%	0.67	5.83%	0.00	5.6%	0.33	40.7%	7.4%	7.5%	7.8%
New Jersey Resources Corp	9.6%	9.8%	10.1%	0.78	5.83%	0.00	5.6%	0.22	40.7%	8.3%	8.4%	8.6%
NiSource Inc	11.1%	11.2%	11.3%	0.42	6.68%	0.00	6.0%	0.58	40.7%	6.7%	6.8%	6.8%
Northwest Natural Gas Co	9.9%	10.1%	10.3%	0.64	5.49%	0.00	5.4%	0.36	40.7%	7.5%	7.6%	7.8%
Piedmont Natural Gas Co	10.3%	10.4%	10.6%	0.69	5.83%	0.00	5.6%	0.31	40.7%	8.2%	8.2%	8.4%
South Jersey Industries Inc	9.8%	9.9%	10.2%	0.70	6.68%	0.00	6.0%	0.30	40.7%	7.9%	8.0%	8.2%
Southwest Gas Corp	10.8%	10.9%	11.1%	0.51	6.68%	0.00	6.0%	0.49	40.7%	7.3%	7.3%	7.4%
WGL Holdings Inc	9.8%	9.9%	10.2%	0.70	5.41%	0.01	5.4%	0.29	40.7%	7.8%	7.9%	8.1%
Full Sample Average				0.63	6.12%	0.00	5.8%	0.37	40.7%	7.6%	7.7%	7.8%
Sub-Sample Average				0.65	5.99%	0.00	5.7%	0.35	40.7%	7.7%	7.8%	8.0%

Sources and Notes:

- [1]: Table No. MJV-20; Panel C, [4].  
[2]: Table No. MJV-20; Panel C, [5].  
[3]: Table No. MJV-20; Panel C, [6].  
[4]: Table No. MJV-15, [4].  
[5]: Workpaper #2 to Table No. MJV-21, Panel C.  
[6]: Table No. MJV-15, [5].  
[7]: Workpaper #2 to Table No. MJV-21, Panel B.  
[8]: Table No. MJV-15, [6].  
[9]: Provided by California Water Service Group.  
[10]:  $\{(1) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .  
[11]:  $\{(2) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .  
[12]:  $\{(3) \times (4)\} + \{(5) \times (6)\} + \{(7) \times (8) \times (1 - (9))\}$ .

Workpaper #1 to Table No. MJV-21

Gas LDC Sample

Panel A: Rating to Yield Conversion

Rating	Bond Yield	Preferred Yield
A	5.61%	5.83%
BBB	6.02%	6.68%

Sources and Notes:

Bond Yields from Bloomberg as of March 10, 2011.

Preferred yields are from Mergent Bond Record, January 2011 Edition

Workpaper #1 to Table No. MJV-21

Gas LDC Sample

Panel B: Bond Rating Summary

Company	Year End,				
	2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]
Atmos Energy Corp	BBB	BBB	BBB	BBB	BBB
Laclede Group Inc/The	A	A	A	A	A
New Jersey Resources Corp	A	A	A	A	A
NiSource Inc	BBB	BBB	BBB	BBB	BBB
Northwest Natural Gas Co	A	AA	AA	AA	AA
Piedmont Natural Gas Co	A	A	A	A	A
South Jersey Industries Inc	BBB	BBB	BBB	BBB	BBB
Southwest Gas Corp	BBB	BBB	BBB	BBB	BBB
WGL Holdings Inc	AA	AA	AA	AA	AA

Sources and Notes:

[1] - [5]: Bloomberg as of March 10, 2011.

The credit rating is the long-term issuer rating without a +/- indication.

New Jersey Resources and South Jersey Industries use a subsidiary rating.

Workpaper #1 to Table No. MJV-21

Gas LDC Sample

Panel C: Preferred Equity Rating Summary

Company	Year End,				
	2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]
Atmos Energy Corp	BBB	BBB	BBB	BBB	BBB
Laclede Group Inc/The	A	A	A	A	A
New Jersey Resources Corp	A	A	A	A	A
NiSource Inc	BBB	BBB	BBB	BBB	BBB
Northwest Natural Gas Co	A	AA	AA	AA	AA
Piedmont Natural Gas Co	A	A	A	A	A
South Jersey Industries Inc	BBB	BBB	BBB	BBB	BBB
Southwest Gas Corp	BBB	BBB	BBB	BBB	BBB
WGL Holdings Inc	AA	AA	AA	AA	AA

Sources and Notes:

[1] - [5]: Preferred equity ratings are assumed equal to the company's bond ratings reported in Workpaper #1 to Table No. MJV-21, Panel B.

The credit rating is the long-term issuer rating without a +/- indication.

New Jersey Resources and South Jersey Industries use a subsidiary rating.

Workpaper #2 to Table No. MJV-21

Gas LDC Sample

Panel B: Bond Yield Summary

Company	Year End, 2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]	5-Year Average [6]
Atmos Energy Corp	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
Laclede Group Inc/The	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
New Jersey Resources Corp	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
NiSource Inc	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
Northwest Natural Gas Co	5.61%	5.40%	5.40%	5.40%	5.40%	5.45%
Piedmont Natural Gas Co	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
South Jersey Industries Inc	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
Southwest Gas Corp	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
WGL Holdings Inc	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%

Sources and Notes:

[1] - [5]: Ratings based on Workpaper #1 to Table No. MJV-21, Panel B. Bond yields from Bloomberg as of March 10, 2011.

[6]:  $\{ ([1] + [2] + [3] + [4] + [5]) / 5 \}$

The report does not publish yield data for AA-rated preferred bonds. Therefore, I assumed:

Yield on AA-rated debt = Yield on A-rated bond -  $\{(1/2) \times (\text{Yield on BBB-rated bond} - \text{Yield on A-rated bond})\}$ .

Workpaper #2 to Table No. MJV-21

Gas LDC Sample

Panel C: Preferred Equity Yield Summary

Company	Year End, 2010 [1]	2009 [2]	2008 [3]	2007 [4]	2006 [5]	5-Year Average [6]
Atmos Energy Corp	6.68%	6.68%	6.68%	6.68%	6.68%	6.68%
Laclede Group Inc/The	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
New Jersey Resources Corp	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
NiSource Inc	6.68%	6.68%	6.68%	6.68%	6.68%	6.68%
Northwest Natural Gas Co	5.83%	5.41%	5.41%	5.41%	5.41%	5.49%
Piedmont Natural Gas Co	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
South Jersey Industries Inc	6.68%	6.68%	6.68%	6.68%	6.68%	6.68%
Southwest Gas Corp	6.68%	6.68%	6.68%	6.68%	6.68%	6.68%
WGL Holdings Inc	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%

Sources and Notes:

[1] - [5]: See Workpaper #1 to Table No. MJV-21, Panels C. Preferred equity yields are from Mergent Bond Record, January 2011 Edition.

[6]:  $\{ ([1] + [2] + [3] + [4] + [5]) / 5 \}$

The report does not publish yield data for AA-rated preferred equity. Therefore, I assumed:

Yield on AA-rated preferred equity = Yield on A-rated preferred -  $\{(1/2) \times (\text{Yield on BBB-rated preferred} - \text{Yield on A-rated preferred})\}$ .

Table No. MJV-22  
Risk Positioning Cost of Equity at California Water Service Group's Capital Structure  
Gas LDC Sample  
Panel A: Using Brattle Betas

	Overall Cost of Capital (Scenario 1) [1]	Overall Cost of Capital (Scenario 2) [2]	Overall Cost of Capital (Scenario 3) [3]	California Water Service Group's Regulatory % Debt [4]	California Water Service Group's Cost of Debt [5]	California Water Service Group's Income Tax Rate [6]	California Water Service Group's Regulatory % Preferred Equity [7]	California Water Service Group's Cost of Preferred Equity [8]	California Water Service Group's Regulatory % Equity [9]	Estimated Return on Equity (Scenario 1) [10]	Estimated Return on Equity (Scenario 2) [11]	Estimated Return on Equity (Scenario 3) [12]
<b>Full Sample:</b>												
CAPM using Brattle Betas	7.3%	7.4%	7.6%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	10.8%	11.0%	11.3%
ECAPM (0.50%) using Brattle Betas	7.3%	7.5%	7.7%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	10.9%	11.2%	11.5%
ECAPM (1.50%) using Brattle Betas	7.5%	7.7%	7.8%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.2%	11.5%	11.8%
<b>Sub-Sample:</b>												
CAPM using Brattle Betas	7.4%	7.5%	7.7%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.0%	11.3%	11.6%
ECAPM (0.50%) using Brattle Betas	7.5%	7.6%	7.8%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.1%	11.4%	11.7%
ECAPM (1.50%) using Brattle Betas	7.6%	7.8%	8.0%	47.0%	5.6%	40.7%	0.0%	5.8%	53.0%	11.5%	11.8%	12.1%

Sources and Notes:

[1]: Table No. MJV-21; Panel A, [10] - [12].

[2]: Table No. MJV-21; Panel B, [10] - [12].

[3]: Table No. MJV-21; Panel C, [10] - [12].

[4]: Provided by California Water Service Group.

[5]: Based on a A rating. Yield from Bloomberg as of March 10, 2011.

[6]: Provided by California Water Service Group.

[7]: Provided by California Water Service Group.

[8]: From Mergent Bond Record, January 2011 Edition.

[9]: Provided by California Water Service Group.

[10]:  $\{[1] - ([4] \times [5] \times (1 - [6]) + [7] \times [8])\} / [9]$ .

[11]:  $\{[2] - ([4] \times [5] \times (1 - [6]) + [7] \times [8])\} / [9]$ .

[12]:  $\{[3] - ([4] \times [5] \times (1 - [6]) + [7] \times [8])\} / [9]$ .

Scenario 1: Long-Term Risk Free Rate of 4.74%, Long-Term Market Risk Premium of 6.50%.

Scenario 2: Long-Term Risk Free Rate of 4.61%, Long-Term Market Risk Premium of 7.00%.

Scenario 3: Long-Term Risk Free Rate of 4.49%, Long-Term Market Risk Premium of 7.50%.