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CONNECTICUT WATER SERVICE INC / CT

FORM 8-K
(Current report filing)

Filed 12/11/08 for the Period Ending 12/10/08

Address	93 W MAIN ST CLINTON, CT 06413
Telephone	8606698630
CIK	0000276209
Symbol	CTWS
SIC Code	4941 - Water Supply
Industry	Water Utilities
Sector	Utilities
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): December 11, 2008 (November 21, 2008)

Connecticut Water Service, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Connecticut	06-0739839
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
93 West Main Street, Clinton, CT	06413
(Address of principal executive office)	(Zip Code)

860-669-8630
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

Investor Presentation

From time to time, members of senior management of Connecticut Water Service, Inc. (the "Company") present information about the Company to investors. On December 4, 2008, a presentation was made to investors and other attendees in New York, N.Y. as part of the 12 th Annual Water Utility Conference sponsored by the New York Society of Security Analysts. Such presentation material may be presented to investors in the future.

A Copy of the Company's investor presentation dated December 4, 2008 is filed herewith as Exhibit 99.1 and is hereby incorporated herein by reference.

Amendment to the CWC 401(k) Plan

On November 21, 2008, the Company's Board of Directors approved an amendment to the amended and restated Savings Plan of The Connecticut Water Company, originally dated as of October 1, 2000, as amended to date (collectively, the " CWC 401(k) Plan"). The amendment revises the CWC 401(k) Plan as follows:

1) to become a "safe harbor plan" within the meaning of Section 401(k) of the Internal Revenue Code of 1986 (the "IRC");

2) to eliminate the Company's existing matching contribution (up to 50% of an employee's compensation up to 4% of the total), effective January 1, 2009; and

3) to establish Company non-elective contributions of three percent (3%) of compensation for all existing participants, and an additional contribution of one and one-half percent (1½%) of compensation for all employees hired on or after January 1, 2009.

The amendment to the CWC 401(k) Plan will be implemented by the execution of a formal amendment to the CWC 401(k) Plan which will be filed as an exhibit to the Company's annual report on Form 10-K for the fiscal year ending December 31, 2008.

Item 9.01 Financial Statements and Exhibits

The following is filed herewith as an exhibit

(c) Exhibits

99.1 Company investor presentation, dated December 4, 2008.

SIGNATURES

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

Connecticut Water Service, Inc.
(Registrant)

Date: December 11, 2008

By: /s/ David C. Benoit

David C. Benoit
Vice President, Finance and CFO

EXHIBIT INDEX

Exhibit No.	Description
99.1	Company investor presentation, dated December 4, 2008.

Connecticut Water

New York Society of Security Analysts
December 4, 2008

ConnecticutWater

Forward Looking Statements

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

Connecticut Water Service, Inc.

- Non-Operating Holding Company
- Two Principal Subsidiaries
  - Connecticut Water Company
  - New England Water Utility Services, Inc.
- NASDAQ GS:CTWS

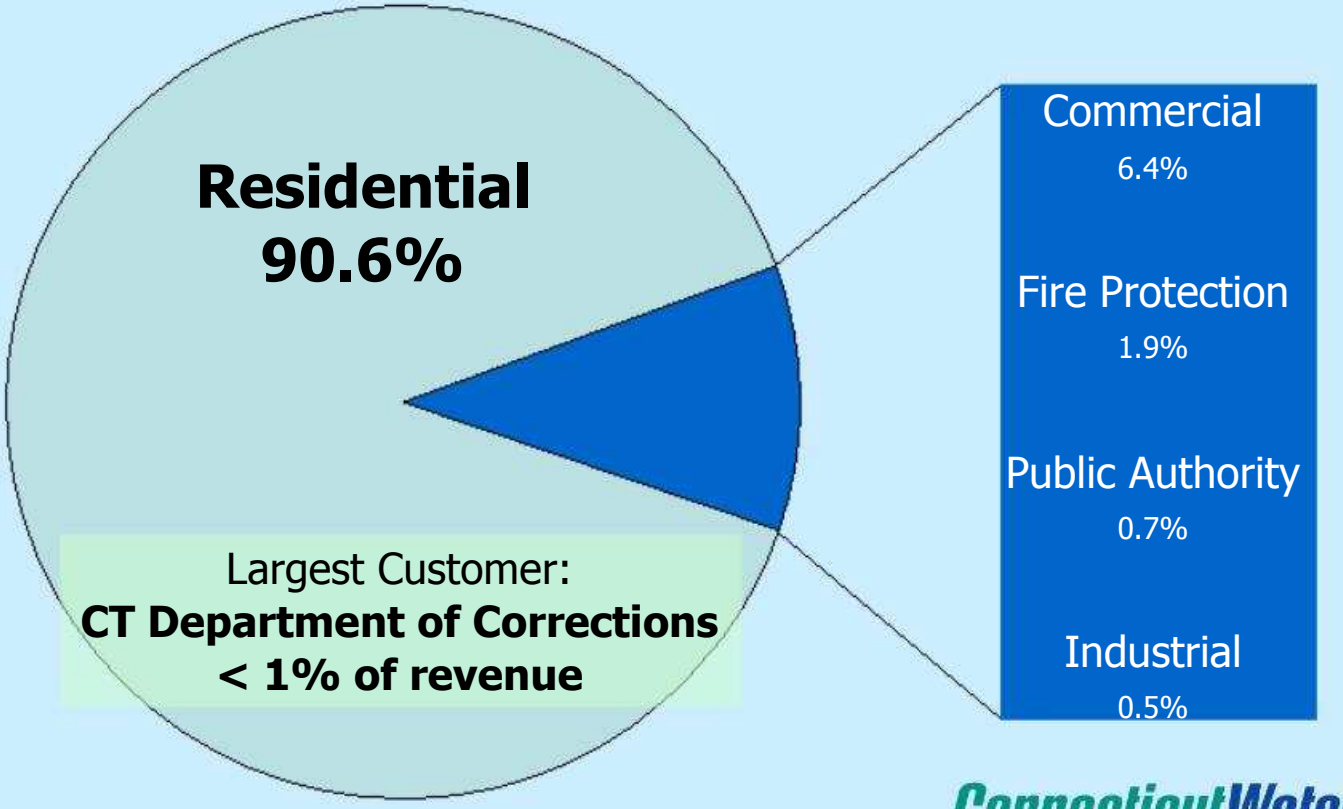
ConnecticutWater

Connecticut Water Company

- Organized in 1956
- 54 Towns
- Serving 300,000 people
- 225 Employees

ConnecticutWater

Customers by Class



Largest Customer:
CT Department of Corrections
< 1% of revenue

ConnecticutWater

Service Area Profile

- Suburban/Rural area
- 60 customers/mile of main
- Median household income 2006 - 2007 $64,158 (U.S. - $50,233)
- >500 community water systems statewide
  - 100 municipal/public authority
  - > 75% serve less than 500 people

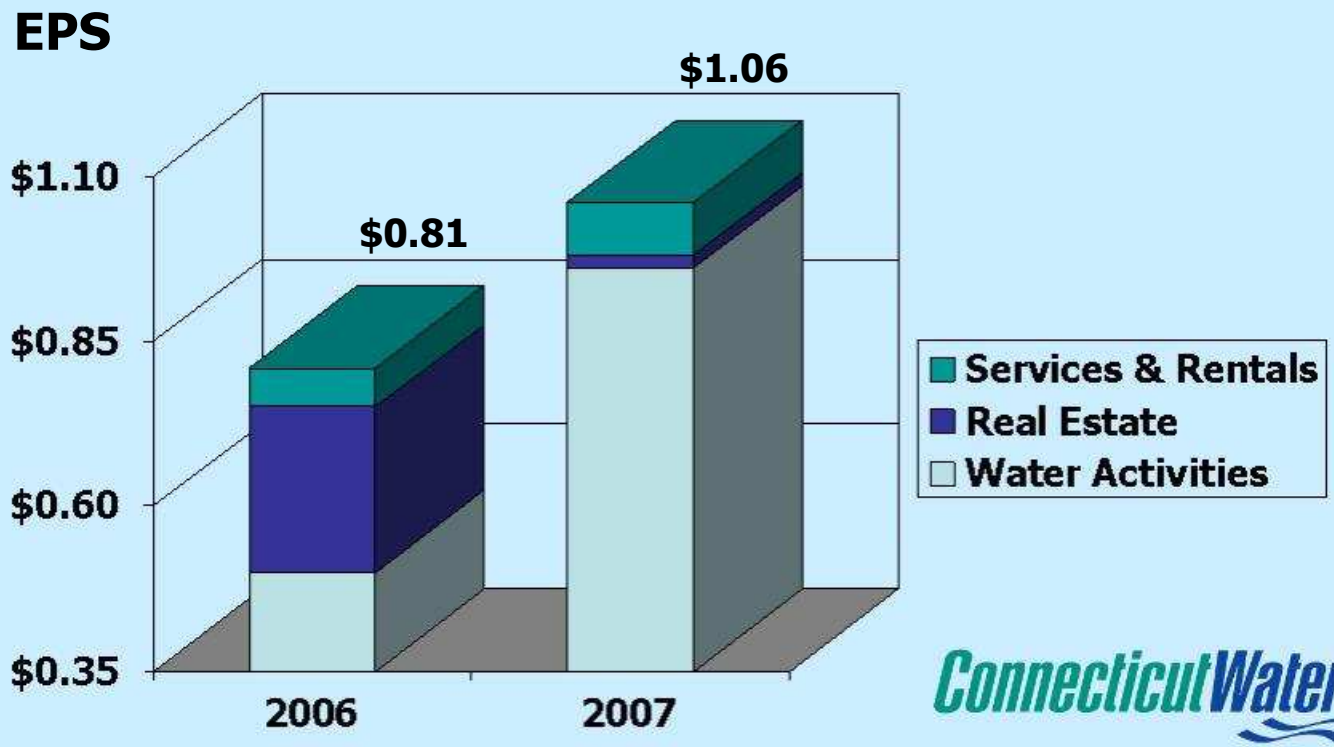
CWC Service Area 2007

BUI Eastern Service Area

ConnecticutWater

Segment Earnings
2006 - 2007

Continuing Operations



ConnecticutWater

2008 Quarterly Earnings

ConnecticutWater

3 rd Quarter Weather

- Wettest 3 rd Quarter since 1955
- Twice normal rainfall
  - 24 inches in 2008 vs. Normal of 12 inches
  - 7 inches in 2007
- Trace of rain or more recorded on 10 of 13 weekends
- 10% decrease in billed consumption per customer compared to 2007
- Rain largely offset revenues from higher rates and Eastern Acquisition

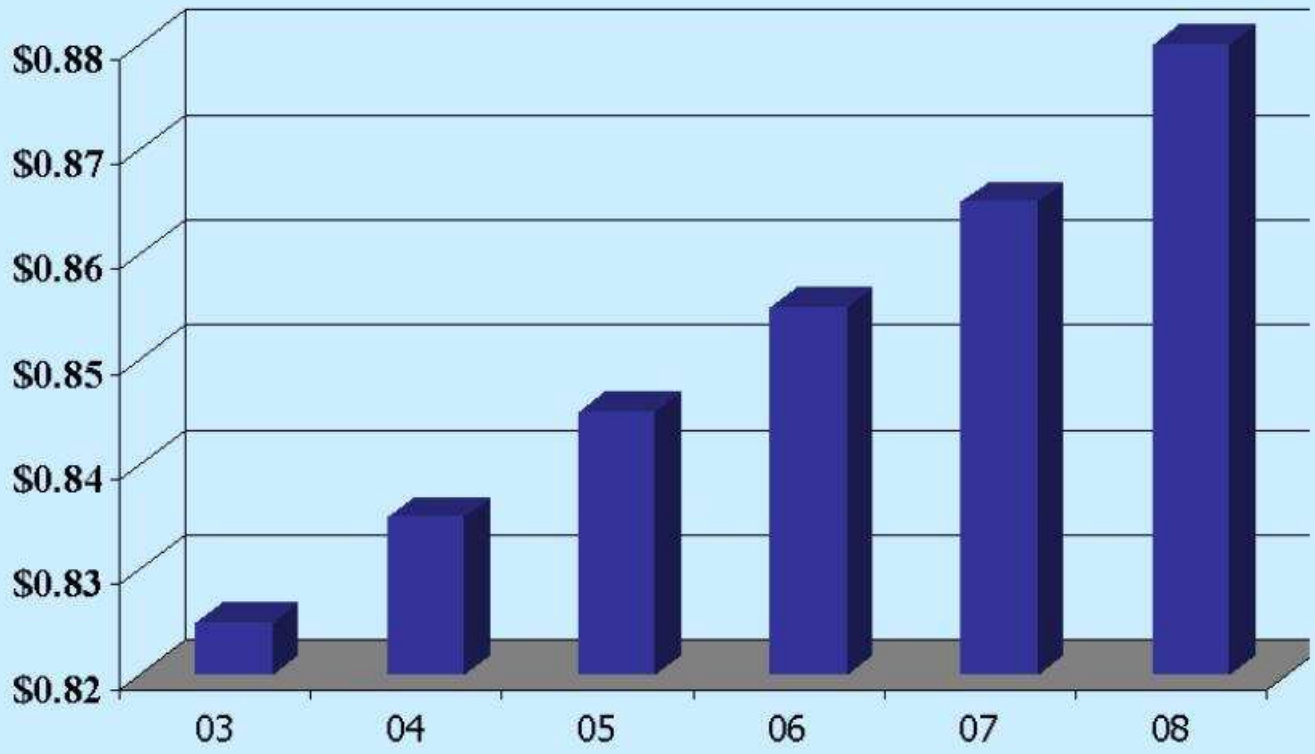
Connecticut Water

Rate Case Summary

- 30.2% Increase Requested
- 29% Granted
- 10.125% Return of Equity
- Phase-in Response to Customer Request

ConnecticutWater

Dividend Growth



ConnecticutWater

Water Touches Everything We Care About…

ConnecticutWater

Water Touches Everything We Care About…

ConnecticutWater

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ConnecticutWater

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Our Strategy…

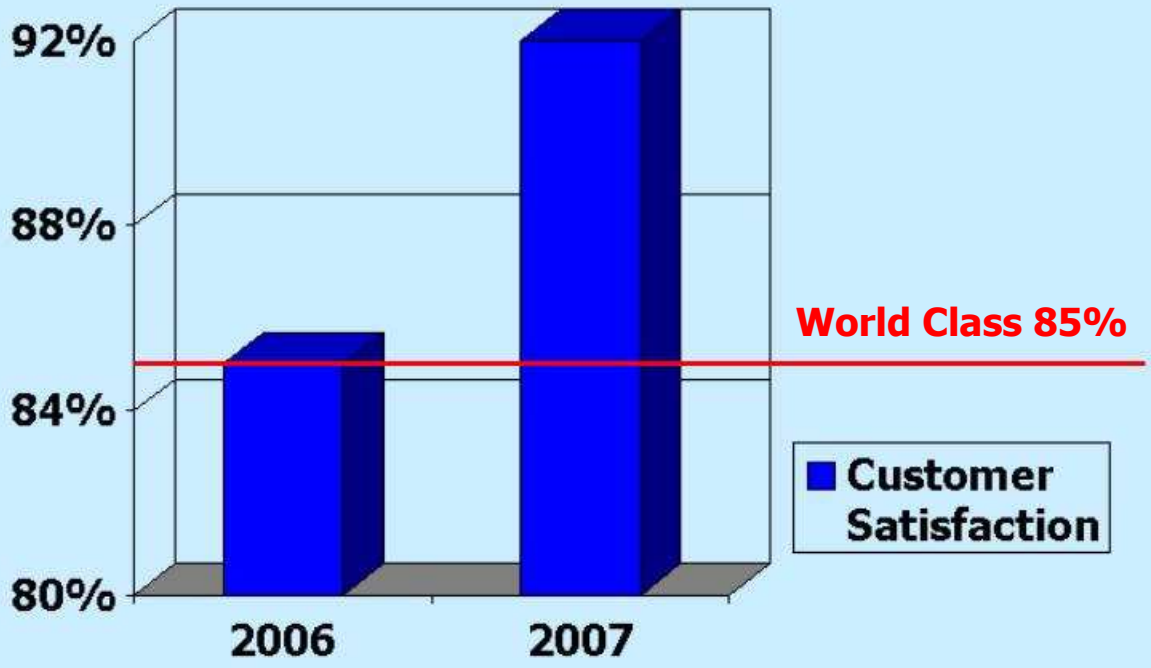
ConnecticutWater

Customer Strategy

- Trust is our Foundation
  - Product Consumed
  - Water Quality is critical
  - Essential Service
  - Responsiveness & Courtesy
- Operational Excellence
  - Reliability & Efficiency
  - Process Improvement
    - EPA Partnership Award
- Customer Satisfaction
  - Measured by CRPP
  - One increase in 15 Years
    - Phase in

ConnecticutWater

Customer Satisfaction



ConnecticutWater

Employee Strategy

- Based on Building Trust
- Team & Service Oriented
- Professionals

- Employee Satisfaction
  - Honesty, Trust & Respect
  - Communication
  - Leadership

ConnecticutWater

Our Strategy

ConnecticutWater

Shareholder Strategy

- Consistent Financial Performance
  - Shareholder Value Added - #2 in 2007
- Strong Dividend Yield
  - 3.6% Yield - #1 in 2007
- High Earnings Quality
  - Revenues: 90 % Water / 10 % Services & Rentals
  - Earnings: 65 - 100 % Water
- Strong Balance Sheet
- Conservative Financial Management

ConnecticutWater

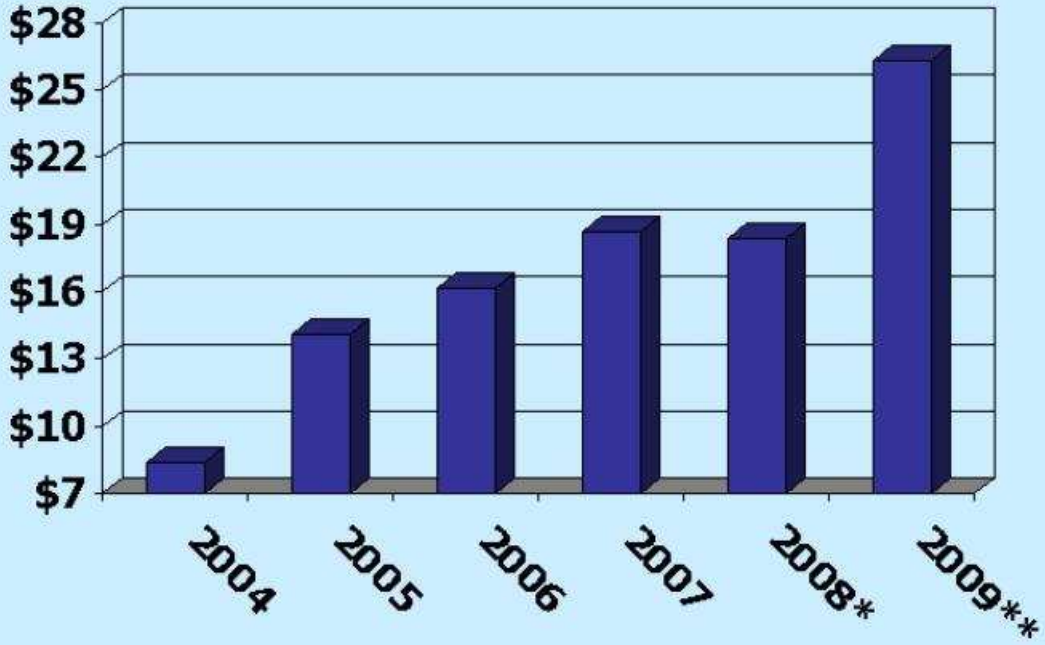
Growth Strategy

- Invest in Water Infrastructure
  - Timely recovery (24 - 36 months)
    - New Water Infrastructure & Conservation Adjustment
- Acquisitions - Water & Wastewater
- Expand Services Business

ConnecticutWater

Investing in Infrastructure - Capital Expenditures

(Millions)



* 2008 Estimated
** 2009 Projected

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WICA

(Water Infrastructure Conservation Adjustment)

- DSIC - type infrastructure recovery mechanism
- 5% annual cap - 7.5% maximum adjustment
- Plan to use in 2009
  - $11 million approximate CapEx devoted to pipeline

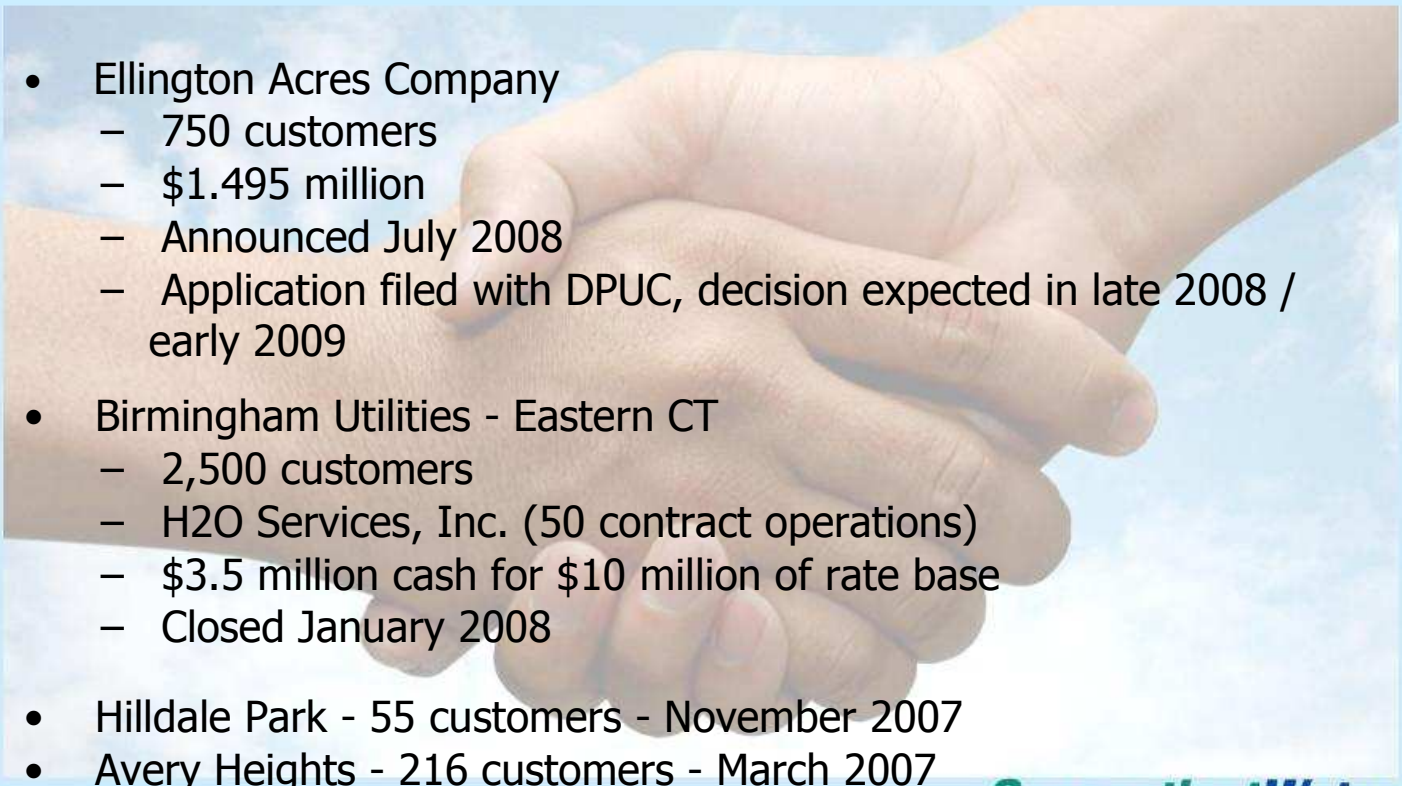
ConnecticutWater

Connecticut DPUC

- Connecticut DPUC
  - 5 Commissioners
    (2 vacancies)
- Jack W. Betkoski III
  - Lead water commissioner
  - Former Chairman NARUC Water Committee
- 6 month regulatory lag
- Regulatory strategy - engage & educate

ConnecticutWater

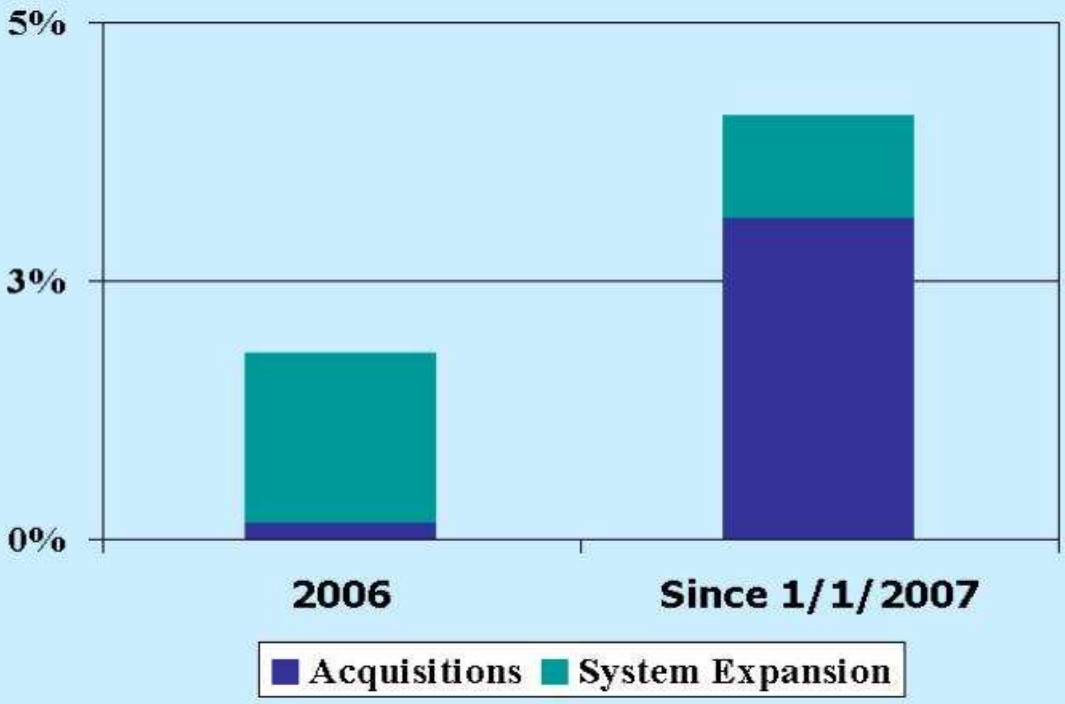
2007/2008 Acquisitions



- Ellington Acres Company
  - 750 customers
  - $1.495 million
  - Announced July 2008
  - Application filed with DPUC, decision expected in late 2008 / early 2009
- Birmingham Utilities - Eastern CT
  - 2,500 customers
  - H2O Services, Inc. (50 contract operations)
  - $3.5 million cash for $10 million of rate base
  - Closed January 2008
- Hilldale Park - 55 customers - November 2007
- Avery Heights - 216 customers - March 2007

ConnecticutWater

Customer Growth



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New England Water Utility Services, Inc.

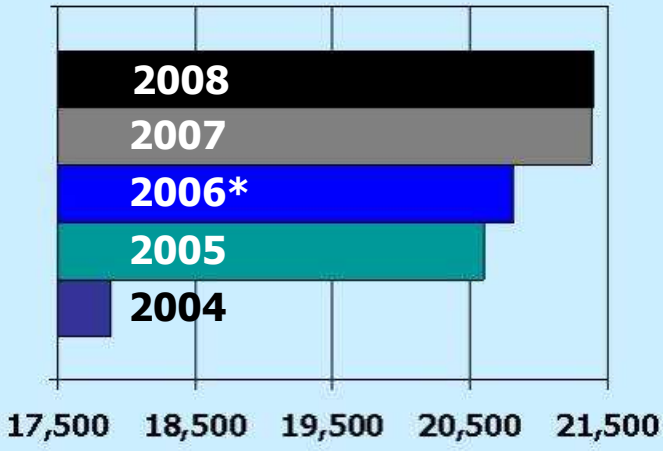
- Established in 1999
- Water & Wastewater
  - 109 clients throughout Southern New England
  - Linebacker ® Service Line Protection Program

ConnecticutWater

Linebacker ®
Service Line Protection

Renewal Rate

>90%



Residential customers enrolled

* **Enrollment fee increased 7.5% in 3rd Q**

ConnecticutWater

UConn Partnership

- Management of University's Water Systems
- 2 Year Agreement
  - Option for 2 one-year renewals
  - Valued at $1.75 M if extended
- Build Brand

ConnecticutWater

Increasing Liquidity

- 35% Institutional Ownership
- Constituent of Russell 2000 ®
- 50 day average trading volume
  > 27,500 shares (as of 11/19/2008

ConnecticutWater

Stability

- S&P Credit Rating
  - A/Stable
- 39 Years of increasing dividend payments
  - 3.6% annual dividend yield
- 52 Years of Quarterly Dividends
- One of *America's Finest Companies* by Staton Institute for 2009
  - One of 307 Companies (out of 19,000)

ConnecticutWater

We Serve…

- **Customers**
  - **Shareholders**
    - **Employees**

ConnecticutWater

Connecticut Water Thanks You!

Your Questions & Feedback…

ConnecticutWater