AMERICAN WATER

2019 Second Quarter Earnings Conference Call

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Forward-Looking Statements

Ed Vallejo

Vice President, Investor Relations

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Forward-Looking Statements

Safe Harbor

This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. They are not guarantees or assurances of any outcomes, financial results of levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation. The factors that could cause actual results to differ are discussed in the Appendix to this presentation and in our Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC on February 19, 2019.

Non-GAAP Financial Information

This presentation includes non-GAAP financial measures. Further information regarding these non-GAAP financial measures, including a reconciliation of each of these measures to the most directly comparable GAAP measure, is included in the Appendix to this presentation.

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Strategy Overview

Susan Story

President and Chief Executive Officer

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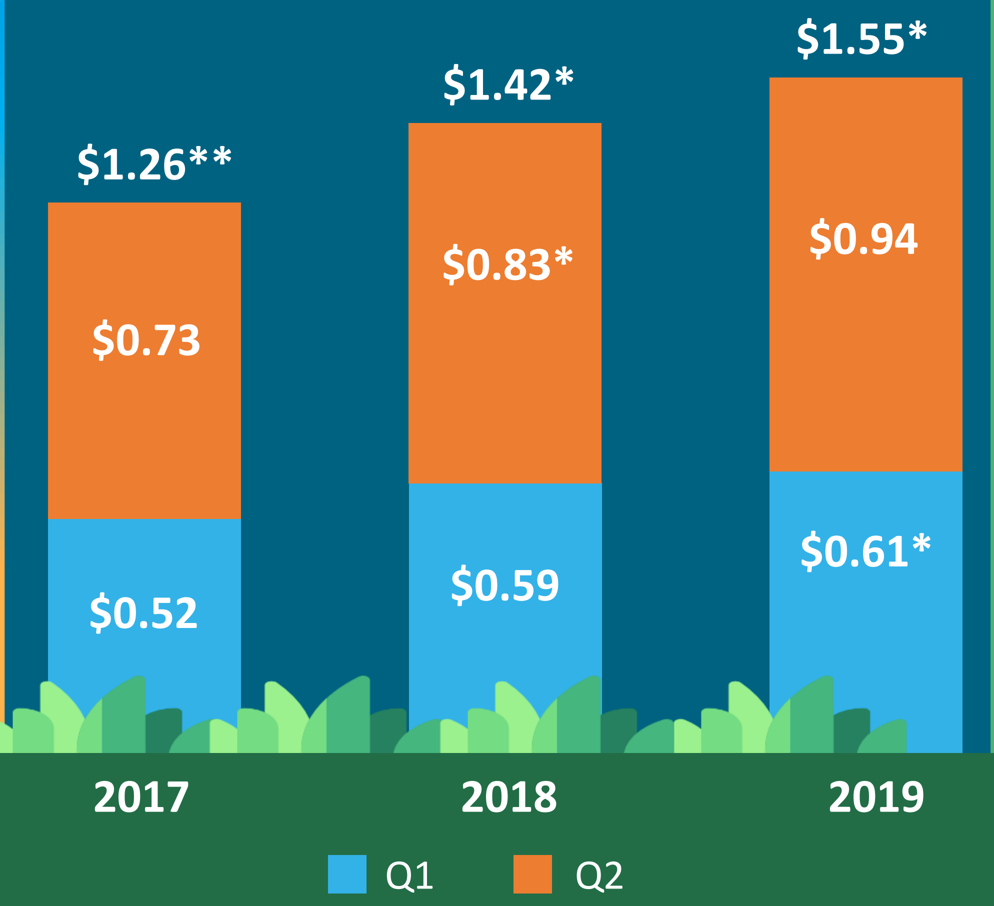
Strong Financial Performance and Growth

Adjusted Earnings Growth



Quarter Highlights

- Exceptionally strong growth despite unusually wet weather
- Closed on the acquisition of the City of Alton, Illinois' regional wastewater system
- Finalized two general rate cases: Kentucky & Indiana
- Continued strong results from Market-Based Businesses
- Successfully completed a $1.1 billion debt offering
- Standard & Poor's Ratings Service affirmed 'A' rating with a stable outlook

** Adjusted EPS is a Non-GAAP Measure. Please see appendix for reconciliation and further information.*
*** Amount does not sum due to rounding*

Our Regulated Business Remains the Foundation of our *Long-Term Growth Strategy*

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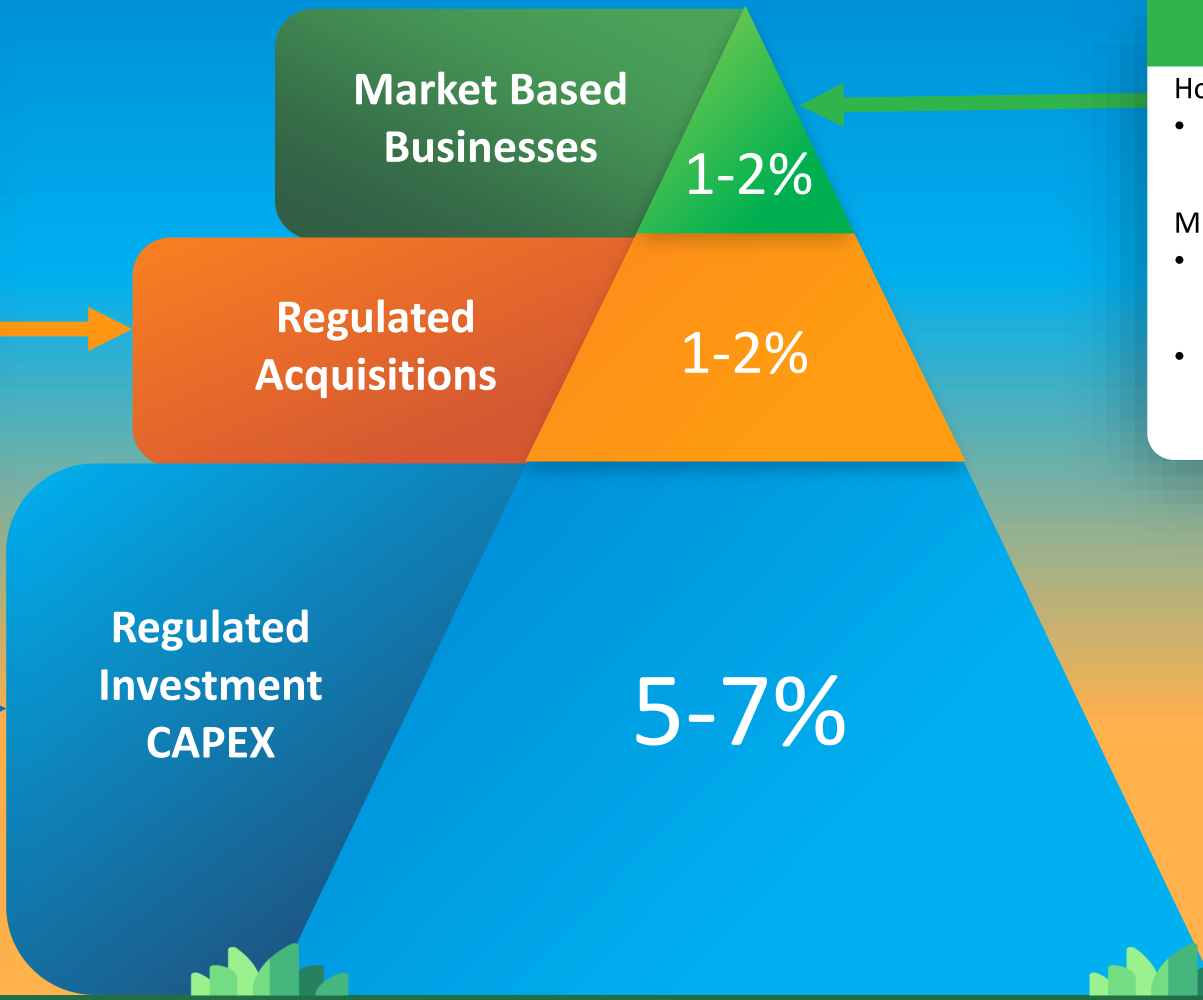
2019 YTD Regulated Acquisitions

- Closed 30,700 customer connections, including Alton, IL
- Signed and pending 38,200 customer connections
- Strong pipeline continues

2019 First Half Regulated Investment

- $792 million invested with virtually all in Regulated Business; expecting $1.8 - $1.9 billion in 2019
- Organic growth 6,500 customer connections
- 35.4%** O&M efficiency ratio
- Deployed and developed technology to improve service & reliability

2019-2023 Plan*
7-10% EPS CAGR Top Half of Range



2019 First Half Market-Based Businesses

Homeowner Services

- Continued strong performance

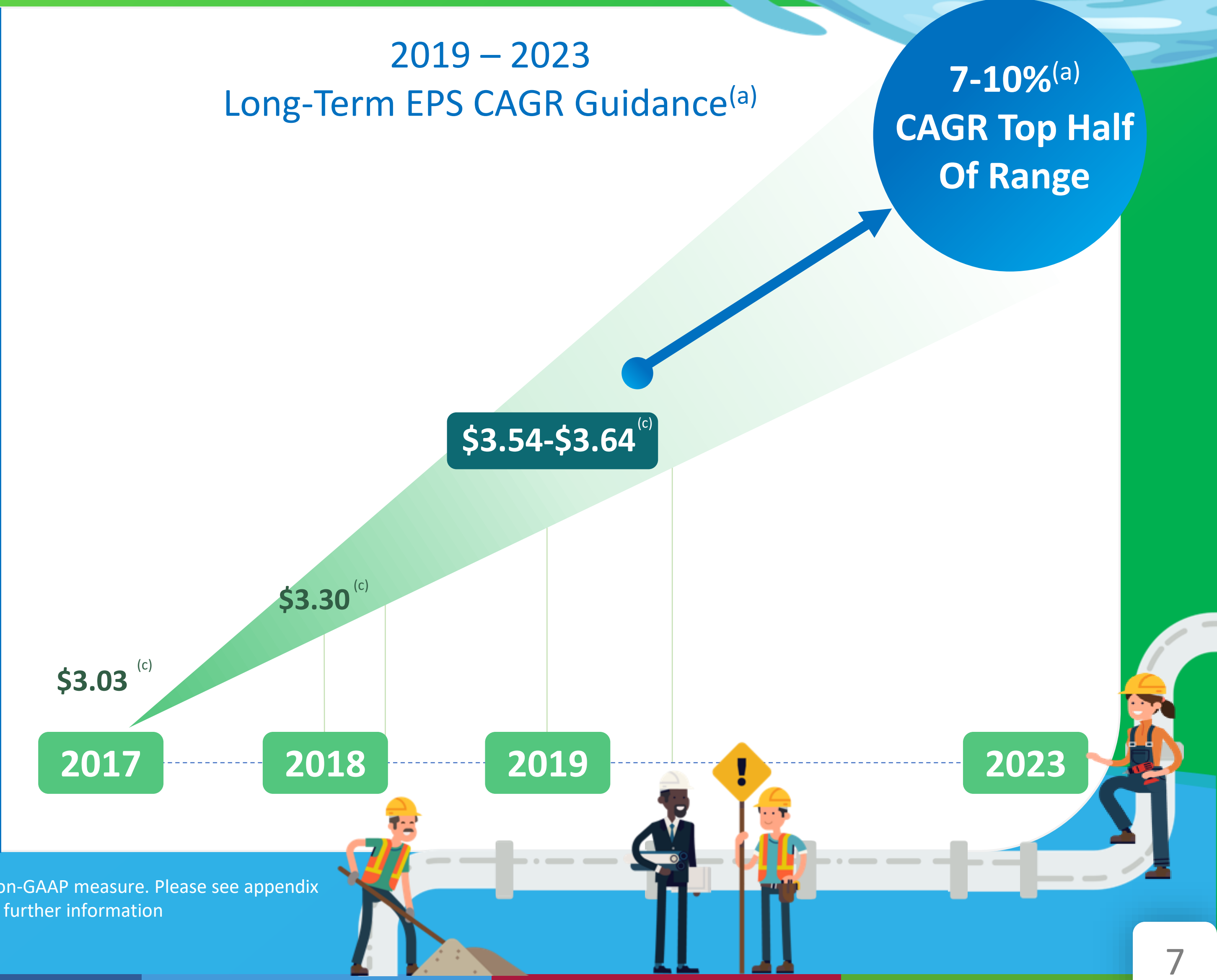
Military Services

- Began full operations on Fort Leonard Wood
- Still expecting the Department of Defense to award up to 3 military bases in 2019

** Growth triangle reflects 2019 – 2023 EPS CAGR goal of 7-10% anchored off of 2017 Adjusted EPS (a non-GAAP measure).*
*** For 12-months ended June 30, 2019. Non-GAAP measure: please see reconciliation table in appendix.*

Long-term Earnings Per Share Outlook

- **Grow EPS long-term CAGR at top half of 7-10%[a] through 2023…**
  … One of the fastest growing utilities in the nation
- **Invest $8.0-8.6 billion in capital investment…**
  … continued focus on customer affordability
  … Rate growth CAGR of 7-8% through 2023
- **Continuing to improve O&M and Capital efficiency…**
  … through technology, supply chain, and cost management
- **Grow dividends at high end of 7-10%[a] EPS range[b]…**
  … Top quartile utility dividend growth
  … Payout ratio between 50-60% of earnings
- **No equity needed under current plan…**



[a] Anchored off of 2017 Adjusted EPS (a non-GAAP measure)

[b] Subject to board approval

[c] Adjusted EPS is a non-GAAP measure. Please see appendix for reconciliation and further information

The Regulated Businesses

Walter Lynch

Chief Operating Officer

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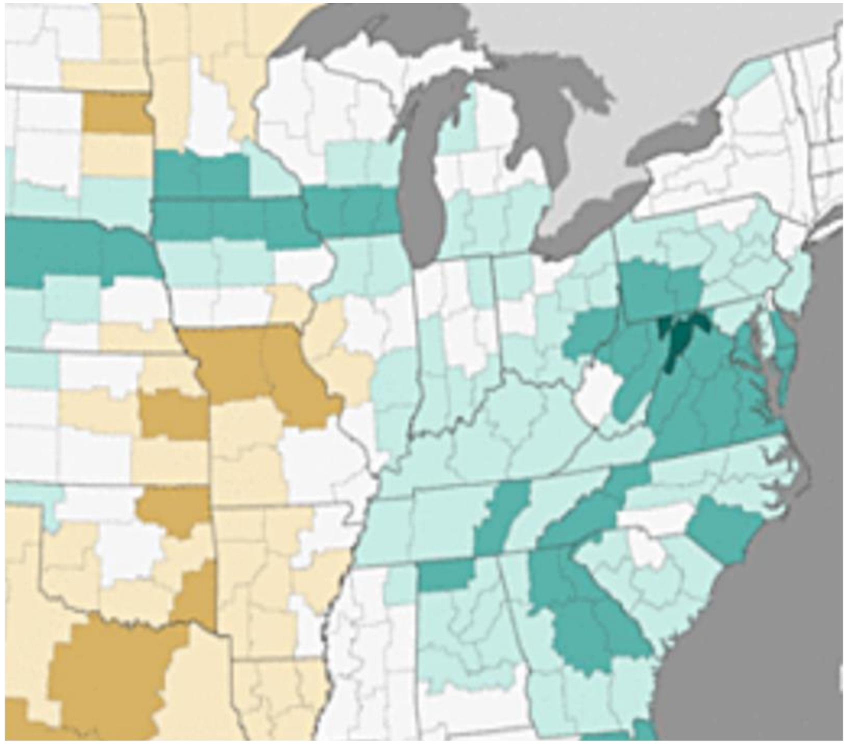
Regulated Business Impacted by Wet Weather

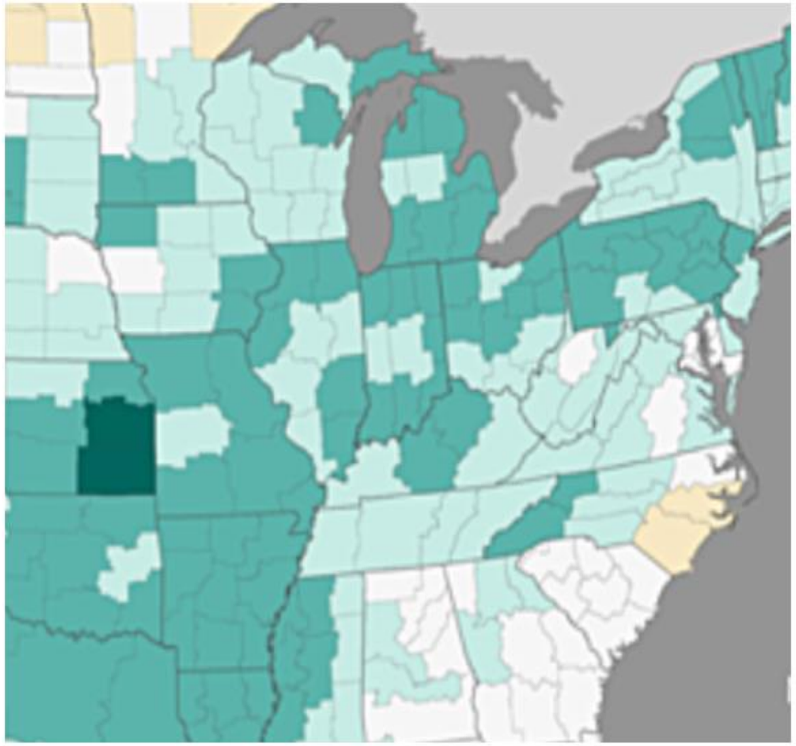
2018 Second Quarter

Average Precipitation
(Period: 1895-2018)



2019 Second Quarter

Average Precipitation
(Period: 1895-2019)



Record Driest | Much Below Normal | Below Normal | Near Normal | Above Normal | Much Above Normal | Record Wettest

Weather Data Source: NOAA National Climatic Data Center

Note: Picture of VP of Regulatory Services' grandson
Note: Weather impact represents $0.01 from second quarter 2018 and $0.04 from second quarter 2019

Regulatory Activity

2019

Kentucky Rate Case – Rates Effective June 28, 2019

- Capital Investment of ≈$100 million
- ROE ≈9.70% with Equity of 48.90%
- PSC approved implementation of a Qualified Infrastructure Program (QIP)

Indiana Rate Case – Rates Effective July 1, 2019

- Capital Investment of ≈$542 million
- ROE ≈9.80% with Equity of 53.41%
- Issued final order on TCJA

Infrastructure Surcharges & Step Increases

- California (Step) – Rates Effective on May 11th
- Missouri (ISRS) – Rates Effective on June 24th
- New Jersey (DSIC) – Rates Effective on July 1st
- Pennsylvania (DSIC) – Rates Effective on July 1st

Pending

Virginia Rate Case – Filed November 2, 2018

- Capital Investment of ≈$98 million
- Requested ROE 10.8%
- Interim rates effective May 1st

California Rate Case – Filed July 1, 2019

- Capital Investment of ≈$197 million
- ROE previously set in separate Cost of Capital Decision
- Rates covering 2021 through 2023

West Virginia Infrastructure Surcharge – Filed June 28, 2019

- Capital Investment of ≈$36 million for the 2020 infrastructure replacement program

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Regulated Acquisitions Update

Signed & Pending ≈ 38,200 Customer Connections

29 Signed/Pending Acquisitions

CA: 5	IA: 1	IN: 2	PA: 3
HI: 1	IL: 10	MO: 5	WV: 2

2019 Closed* ≈ 30,700** Customer Connections

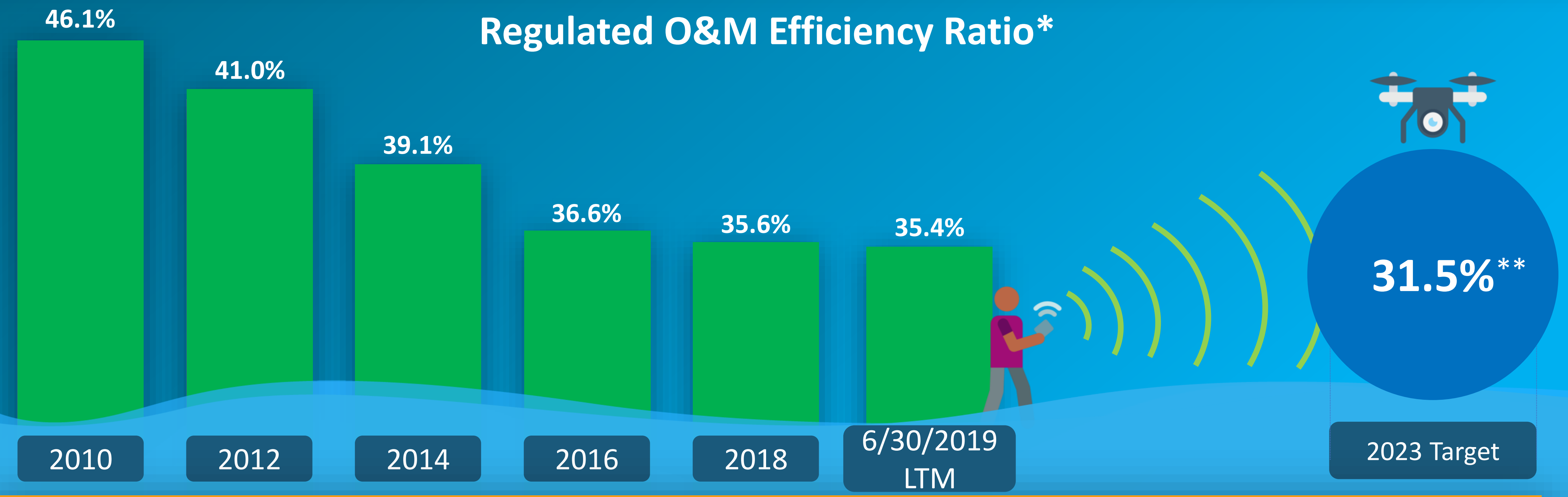
2019 Highlights

Alton, IL Wastewater	**Sadsbury Township, PA** Wastewater
Mt Ephraim Borough, NJ Wastewater	**Charlestown, IN** Water

** As of 7/31/2019*

*** This includes the Alton, IL acquisition, which represents 23,000 customer connections, due to bulk contracts. Connections to the system will be approximately 11,000*

Disciplined *focus* on Expenses



Adjusted O&M Expenses* ($ in millions)

2010	2012	2014	2016	2018	6/30/2019 LTM
$966	$980	$943	$948	$1,015	$1,020

2010-2019 LTM
0.6% CAGR

** Non-GAAP Measure – See appendix for reconciliation. O&M Efficiency Ratio = Adjusted Regulated O&M Expenses (O&M Expenses is most comparable GAAP measure) / Adjusted Regulated Operating Revenues (Operating Revenues is most comparable GAAP measure). This calculation assumes purchased water revenues approximate purchased water expenses and 2010 – 2016 adjusted for TCJA*
*** A reconciliation to a most comparable forward-looking GAAP measure is not available without unreasonable effort*

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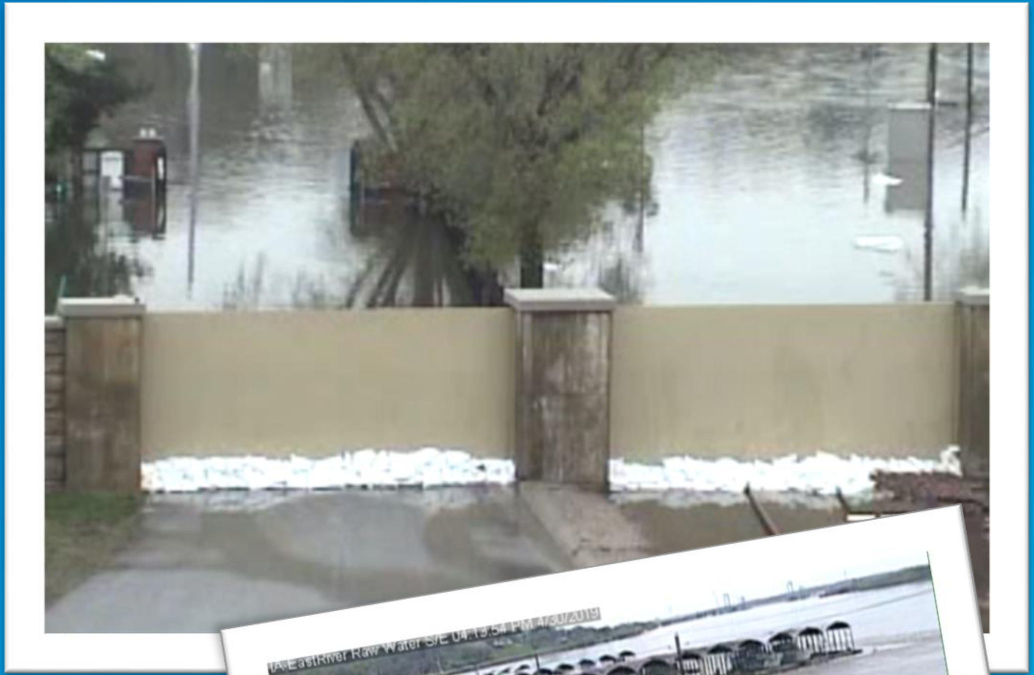
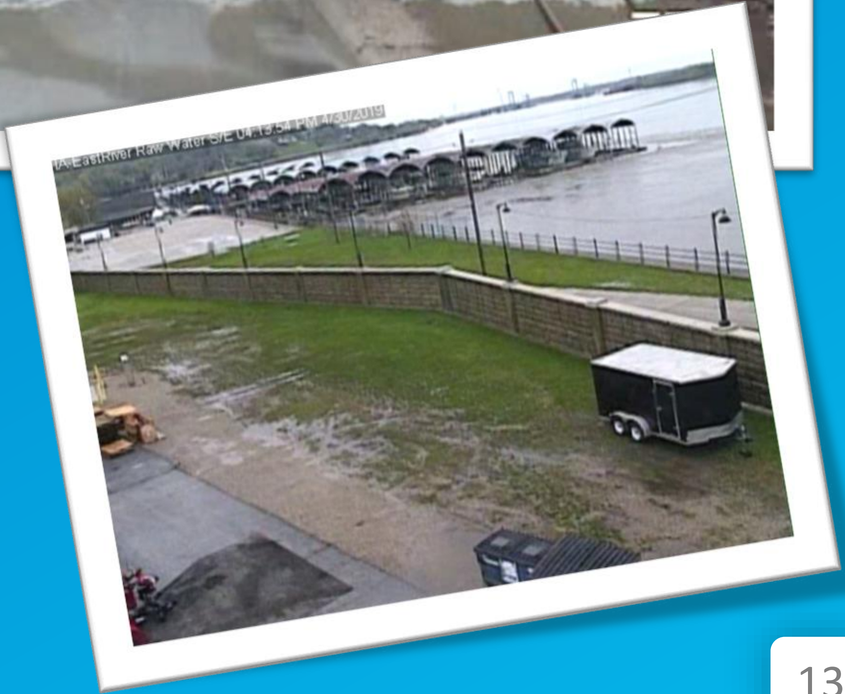
Resiliency *Protection*: Davenport, Iowa

"We are operating normally and continually monitoring the water quality. The plant is operating under normal conditions and well-protected by the flood wall."

– Randy Moore, President - Iowa American

- Constructed flood wall at treatment plant after the 1993 floods impacted our operations at the Davenport treatment facility
- In 2019, the Mississippi River crested at a record 22.7 feet
- The previous record flood for this area was 22.6 feet in 1993





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Financial Results & Long-Term Outlook

Susan Hardwick

Chief Financial Officer

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Solid Quarter Results and Highlights

Q2 2019

Contribution by Business

	Three Months Ended 6/30/2019	Three Months Ended 6/30/2018	Change	% Change
Regulated	$0.87	$0.86*	$0.01	1.2%
Market Based	$0.12	$0.07	$0.05	71.4%
Parent & Other	($0.05)	($0.10)	$0.05	50.0%
Total Adjusted EPS*	**$0.94**	**$0.83**	**$0.11**	**13.3%**
Freedom Industries settlement activities	-	$0.08	($0.08)	
Total GAAP EPS	**$0.94**	**$0.91**	**$0.03**	

Adjusted for Weather, Increased 7.0%

First Half 2019

Contribution by Business

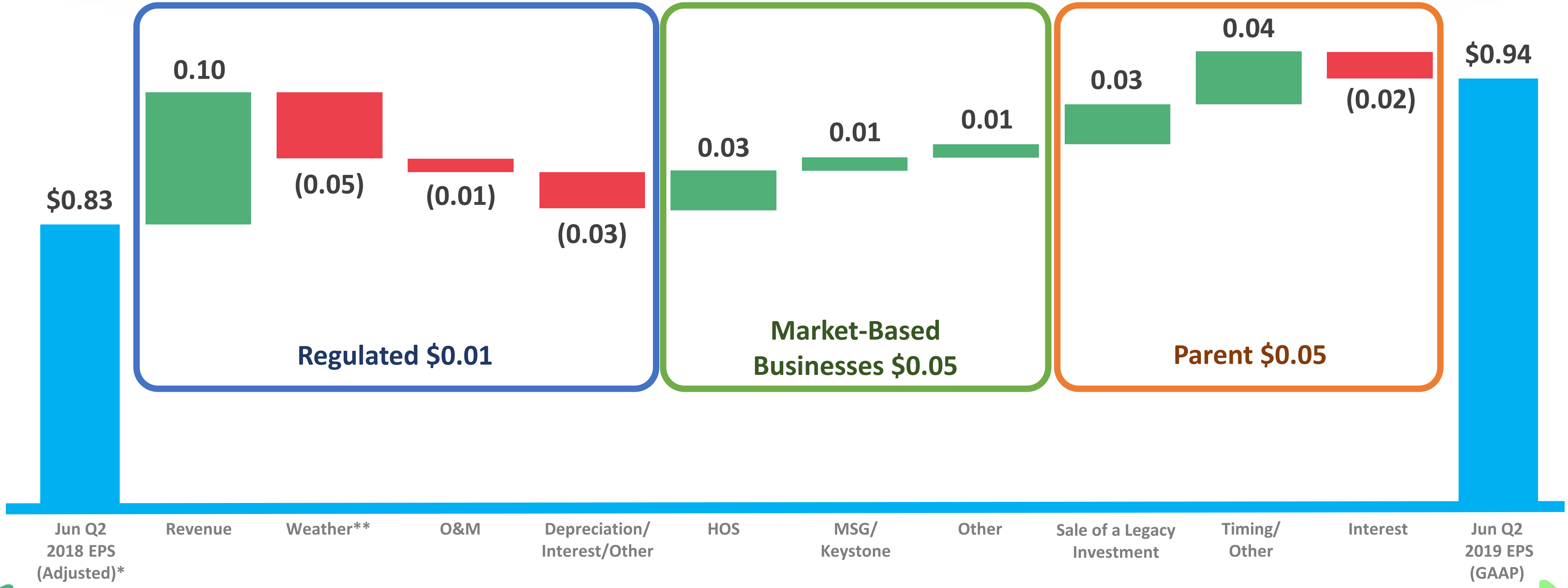
	Six Months Ended 6/30/2019	Six Months Ended 6/30/2018	Change	% Change
Regulated	$1.46*	$1.44*	$0.02	1.4%
Market Based	$0.23	$0.14	$0.09	64.3%
Parent & Other	($0.14)	($0.16)	$0.02	12.5%
Total Adjusted EPS*	**$1.55**	**$1.42**	**$0.13**	**9.2%**
Freedom Industries settlement activities	$0.01	$0.08	($0.07)	
Total GAAP EPS	**$1.56**	**$1.50**	**$0.06**	

Adjusted for Weather, Increased 4.9%

** Adjusted EPS is a non-GAAP Measure. Please see appendix for reconciliation and further information.*

Strong Second Quarter Results

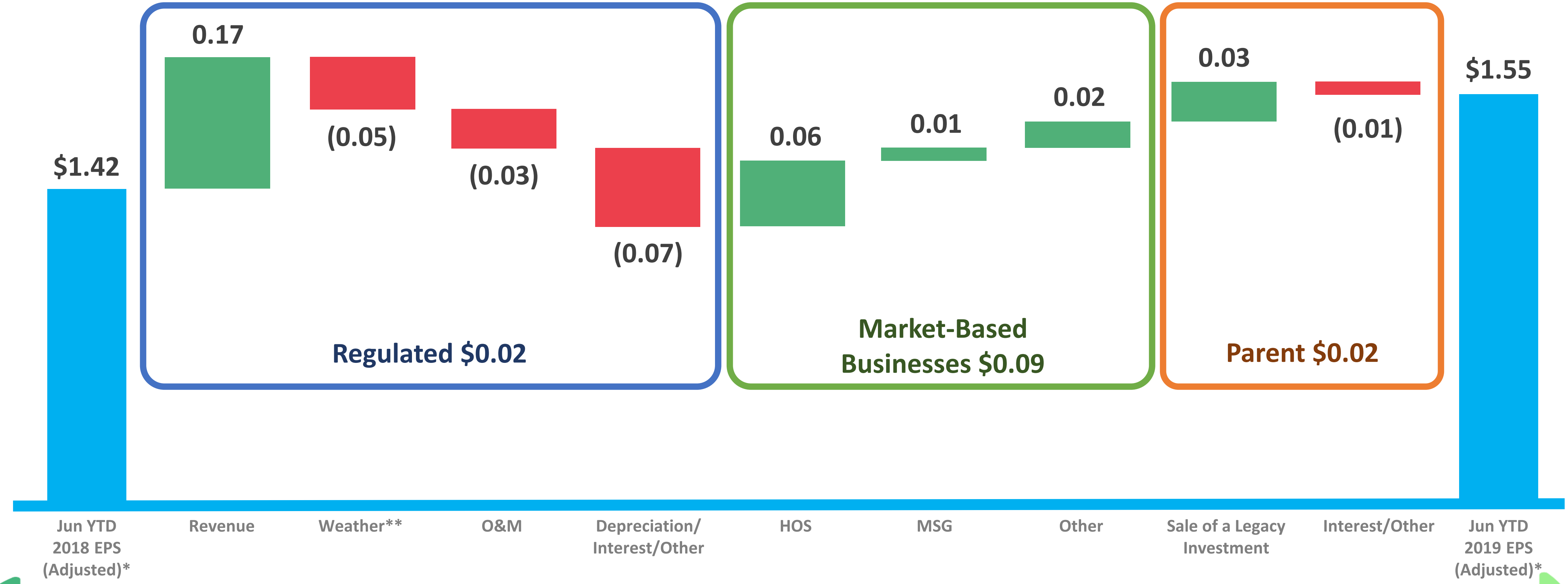
Adjusted EPS Increased **13.3%** quarter over quarter, even with unusually wet weather



* Adjusted EPS is a non-GAAP Measure. Please see appendix for Q2 2018 EPS reconciliation and further information.
** Weather impact represents $0.01 from second quarter 2018 and $0.04 from second quarter 2019

Strong First Half Results

Adjusted EPS Increased 9.2% year over year, even with unusually wet weather

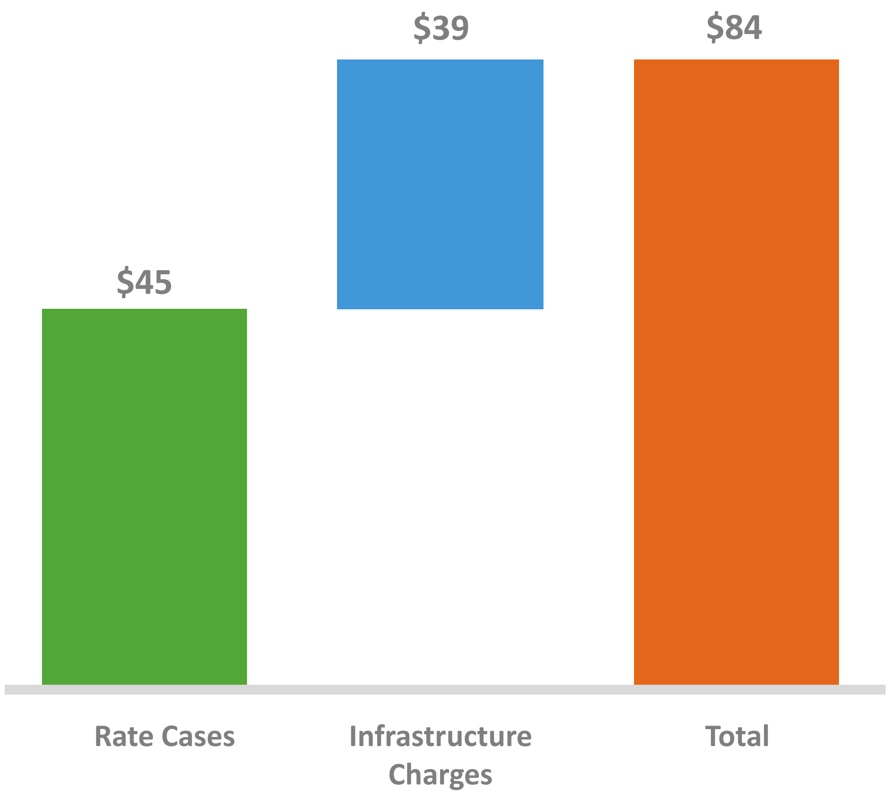


** Adjusted EPS is a non-GAAP Measure. Please see appendix for EPS reconciliation and further information.*
*** Weather impact represents $0.01 from second quarter 2018 and $0.04 from second quarter 2019*

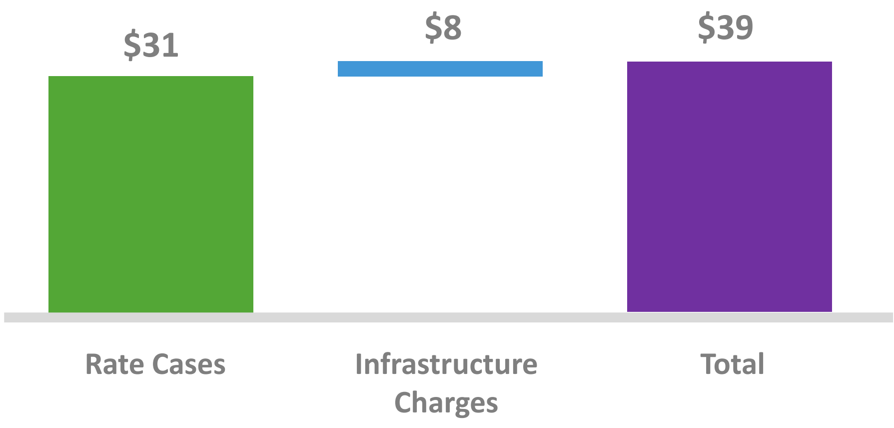
Rate Filings Completed and *Awaiting Final Order*

($ in millions)

Rate Filings Completed*



Requested Revenue Awaiting Final Order



*Annualized Revenue Increase for Rates Effective Since January 1

Affirming EPS Guidance

Grow EPS long-term CAGR at top half of 7-10%* through 2023…

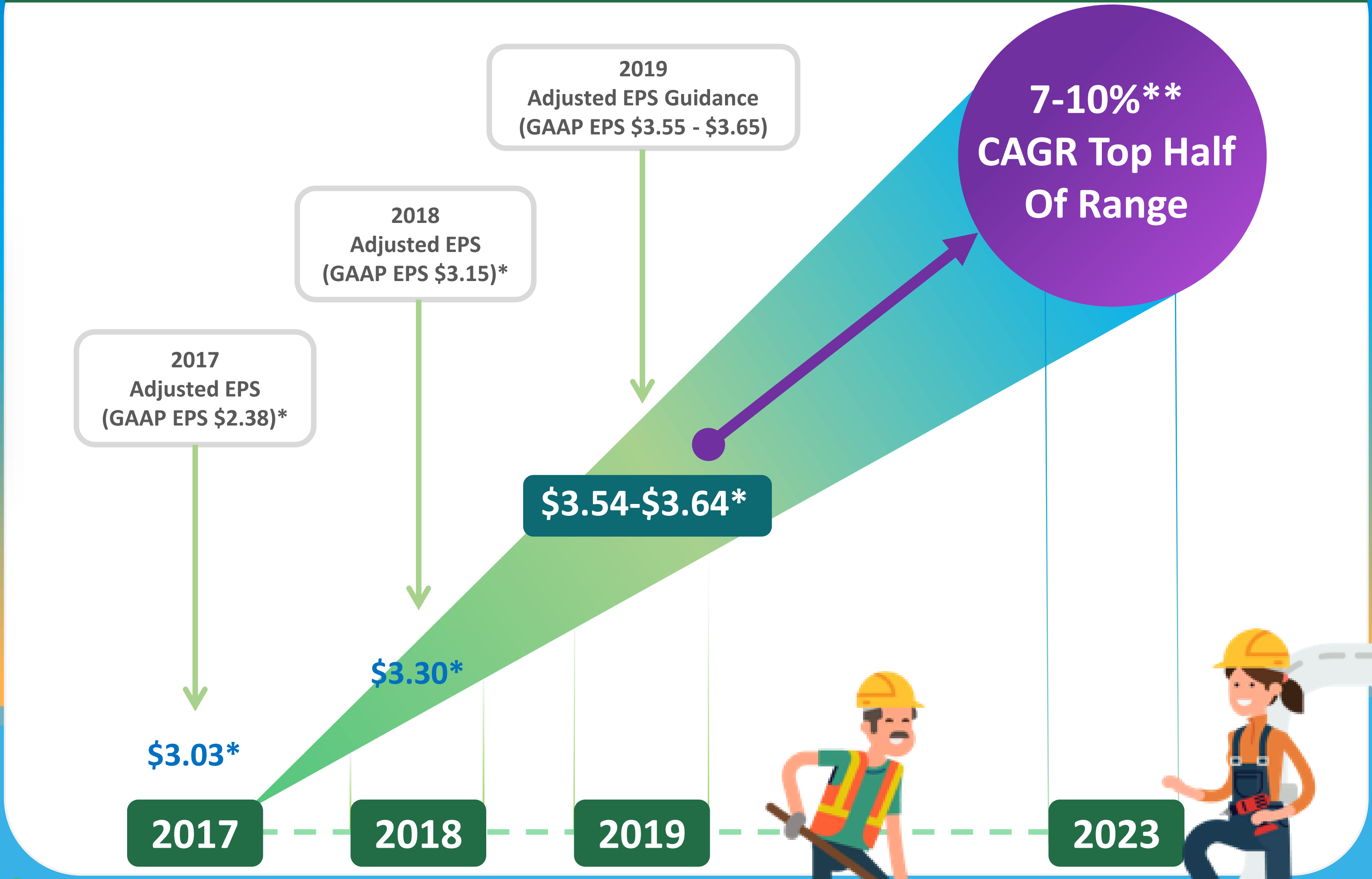
… One of the fastest growing utilities in the nation

2019 EPS Guidance

Adjusted: $3.54 - $3.64

GAAP: $3.55 - $3.65

2019 – 2023 Long-Term EPS CAGR Guidance**



* Adjusted EPS and Adjusted EPS Guidance are a non-GAAP Measure. Please see appendix for reconciliation and further information.

** Long Term EPS reflects 2019 – 2023 EPS CAGR goal in the top half of 7-10%, anchored off of 2017 Adjusted EPS (a non-GAAP measure).

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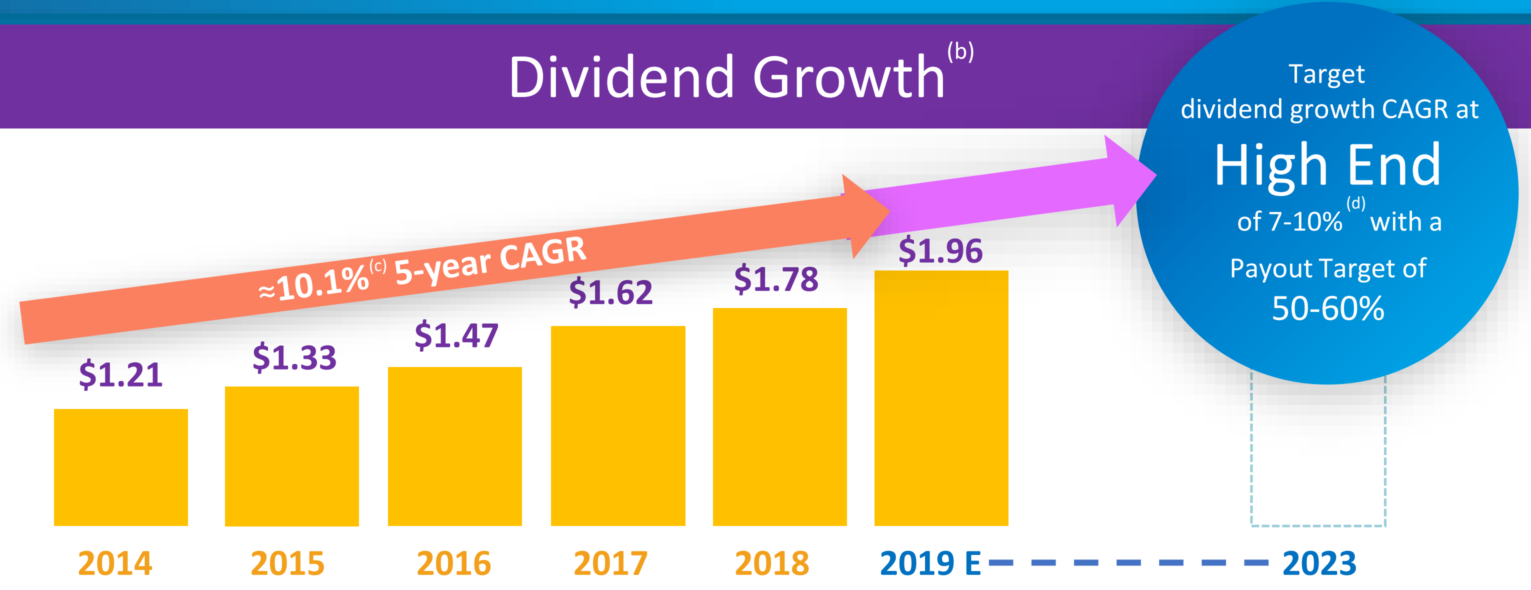
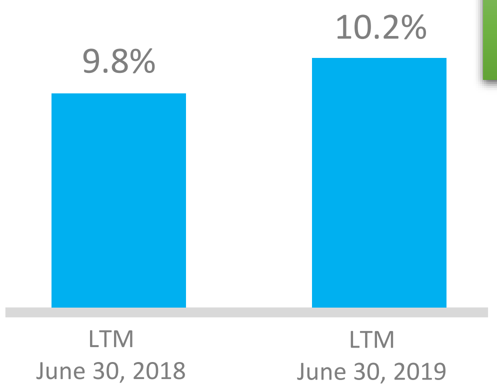
Creating Shareholder Value

Dividend Growth[b]



AWK Shareholder Value

Adjusted Consolidated Return on Equity[a]



Regulated Wt Avg authorized ROE is 9.8%

Total Shareholder Return

(Price + Dividend) as of 6/30/2019

	One Year	Three Year	Five Year
American Water	38.6%	45.8%	161.2%
UTY Index	19.5%	27.9%	62.8%
S&P 500	10.3%	48.9%	66.3%

[a] Adjusted return on equity (includes both Regulated and Market-based Businesses) is a non-GAAP measure. Please see reconciliation table in appendix.

[b] Future dividends are subject to approval of the American Water Board of Directors. *[c] Anchored off of 2014 dividends paid.* *[d] Anchored off of 2017 Adjusted EPS (a non-GAAP measure).*

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Strategy Overview

Susan Story

President and Chief Executive Officer

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What Do Investors Value?

Traditional Utility Investors – "Pensioner" retirees

- ❖ Long-lived, dependable company
- ❖ Stable, consistent dividend as income
- ❖ Dividend growth
- ❖ Steady EPS growth
- ❖ "SWAN" – "Sleep well at night" investment

High alpha, low beta

Conservative Wealth Builders

- ❖ Steady EPS growth
- ❖ Strong fundamentals
- ❖ Understand company story, investment thesis
- ❖ Dividends as reinvestment tool

Growing global investor interest

AWK is the only large cap, pure water utility

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"Purpose Driven" Investors – including ESG

- ❖ > 88% of millennials say important*
- ❖ > 84% of women say important*
- ❖ > 82% of high net worth investors say important*
- ❖ Water as health and sustainability of resource

AWK is the most geographically diverse regulated U.S. Utility

Sector Focused Investors

- ❖ Infrastructure
- ❖ Environmental
- ❖ Water
- ❖ Regulated
- ❖ "AWK Brand" Name

** Morgan Stanley Institute for Sustainable Investing, Sustainable Signals Survey 2017*

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Q&A Session

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Appendix

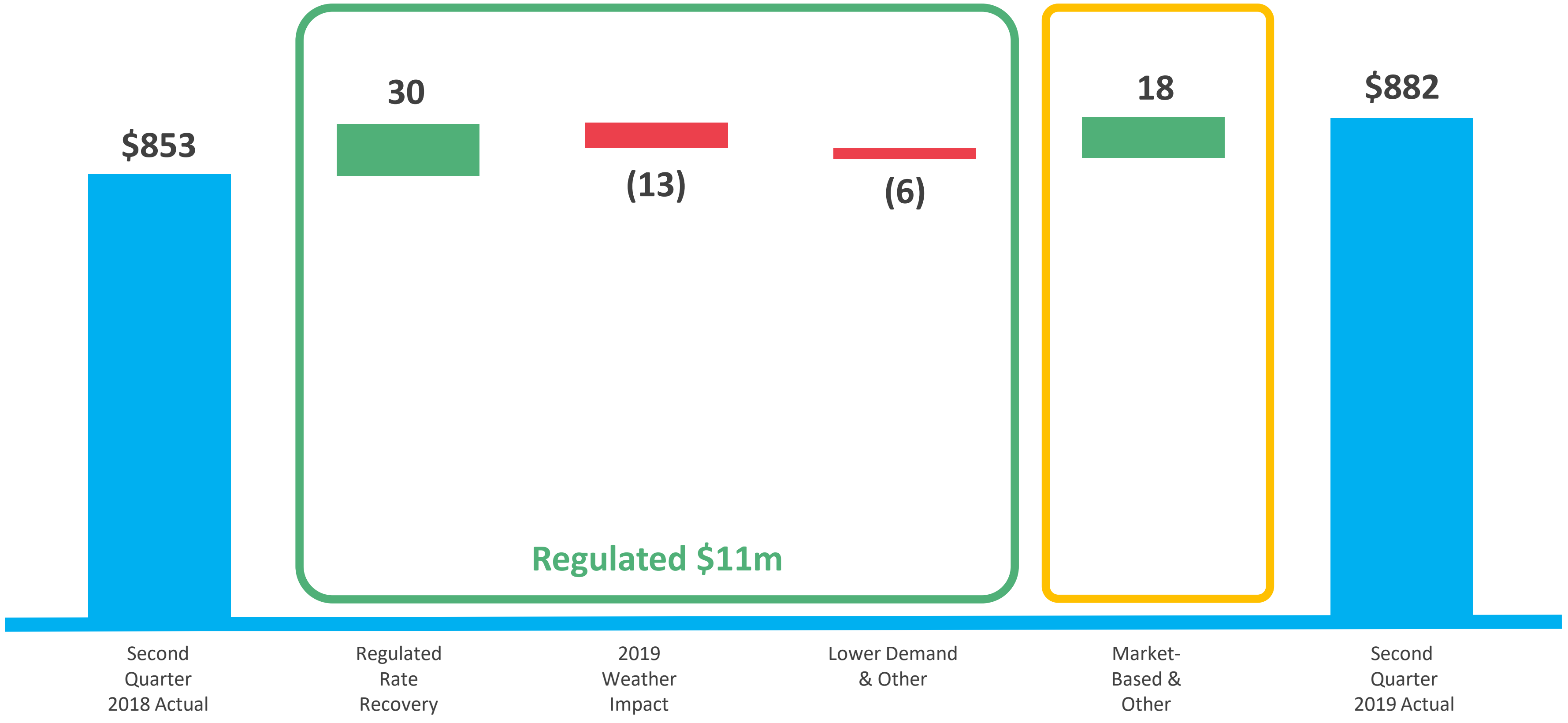
Forward-Looking Statements

Certain statements in this presentation including, without limitation, with respect to earnings per share guidance, dividend growth guidance; the outcome of pending or future acquisition activity; the amount and allocation of future capital investments and expenditures; estimated revenues and regulatory recovery from rate cases and other governmental agency authorizations; estimates regarding our projected rate base, growth, results of operations and financial condition; our projected regulated operation and maintenance efficiency ratio; macro trends; our ability to execute our business and operational strategy; and projected impacts of the Tax Cuts and Jobs Act (the "TCJA"), are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. In some cases, these forward-looking statements can be identified by words with prospective meanings such as "intend," "plan," "estimate," "believe," "anticipate," "expect," "predict," "project," "propose," "assume," "forecast," "outlook," "future," "pending," "goal," "objective," "potential," "continue," "seek to," "may," "can," "will," "should" and "could" and or the negative of such terms or other variations or similar expressions. These forward-looking statements are predictions based on our current expectations and assumptions regarding future events. They are not guarantees or assurances of any outcomes, financial results of levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation as a result of the factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC on February 19, 2019, and subsequent filings with the SEC, and because of factors including, without limitation: the decisions of governmental and regulatory bodies, including decisions to raise or lower customer rates; the timeliness and outcome of regulatory commissions' actions concerning rates, capital structure, authorized return on equity, capital investment, system acquisitions, taxes, permitting and other decisions; limitations on the availability of our water supplies or sources of water, or restrictions on our use thereof; changes in laws, governmental regulations and policies, including with respect to environmental, health and safety, water quality and emerging contaminants, public utility and tax regulations and policies, and impacts resulting from U.S., state and local elections; weather conditions and events, climate variability patterns, and natural disasters, including drought or abnormally high rainfall, prolonged and abnormal ice or freezing conditions, strong winds, coastal and intercoastal flooding, earthquakes, landslides, hurricanes, tornadoes, wildfires, electrical storms and solar flares; the outcome of litigation and similar governmental and regulatory proceedings, investigations or actions; exposure or infiltration of our critical infrastructure and technology systems through physical or cyber attacks or other means; our ability to control operating expenses and to achieve efficiencies in our operations; the intentional or unintentional actions of a third party, including contamination of our water supplies or water provided to our customers; our ability to successfully meet growth projections for our businesses and capitalize on growth opportunities, including our ability to, among other things, acquire, close and successfully integrate regulated operations and market-based businesses, enter into contracts and other agreements with, or otherwise obtain, new customers in our market-based businesses, and realize anticipated benefits and synergies from new acquisitions; our exposure to liabilities related to environmental laws and similar matters; access to sufficient capital on satisfactory terms and when and as needed to support operations and capital expenditures; changes in federal or state general, income and other tax laws, including any further rules, regulations, interpretations and guidance by the U.S. Department of the Treasury and state or local taxing authorities related to the enactment of the TCJA, the availability of tax credits and tax abatement programs, and our ability to utilize our U.S. federal and state income tax net operating loss carryforwards; and other factors as may be set forth in our SEC filings.

These and other forward-looking statements are qualified by, and should be read together with, the risks and uncertainties set forth above and the risk factors and cautionary statements included in our annual and quarterly SEC filings, and readers should refer to such risks, uncertainties, risk factors and statements in evaluating such forward-looking statements. Any forward-looking statements speak only as of the date of this presentation. We do not have or undertake any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as otherwise required by the Federal securities laws. Furthermore, it may not be possible to assess the impact of any such factor on our businesses, either viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. The foregoing factors should not be construed as exhaustive.

2019 Second Quarter Revenue Breakdown

($ in millions)



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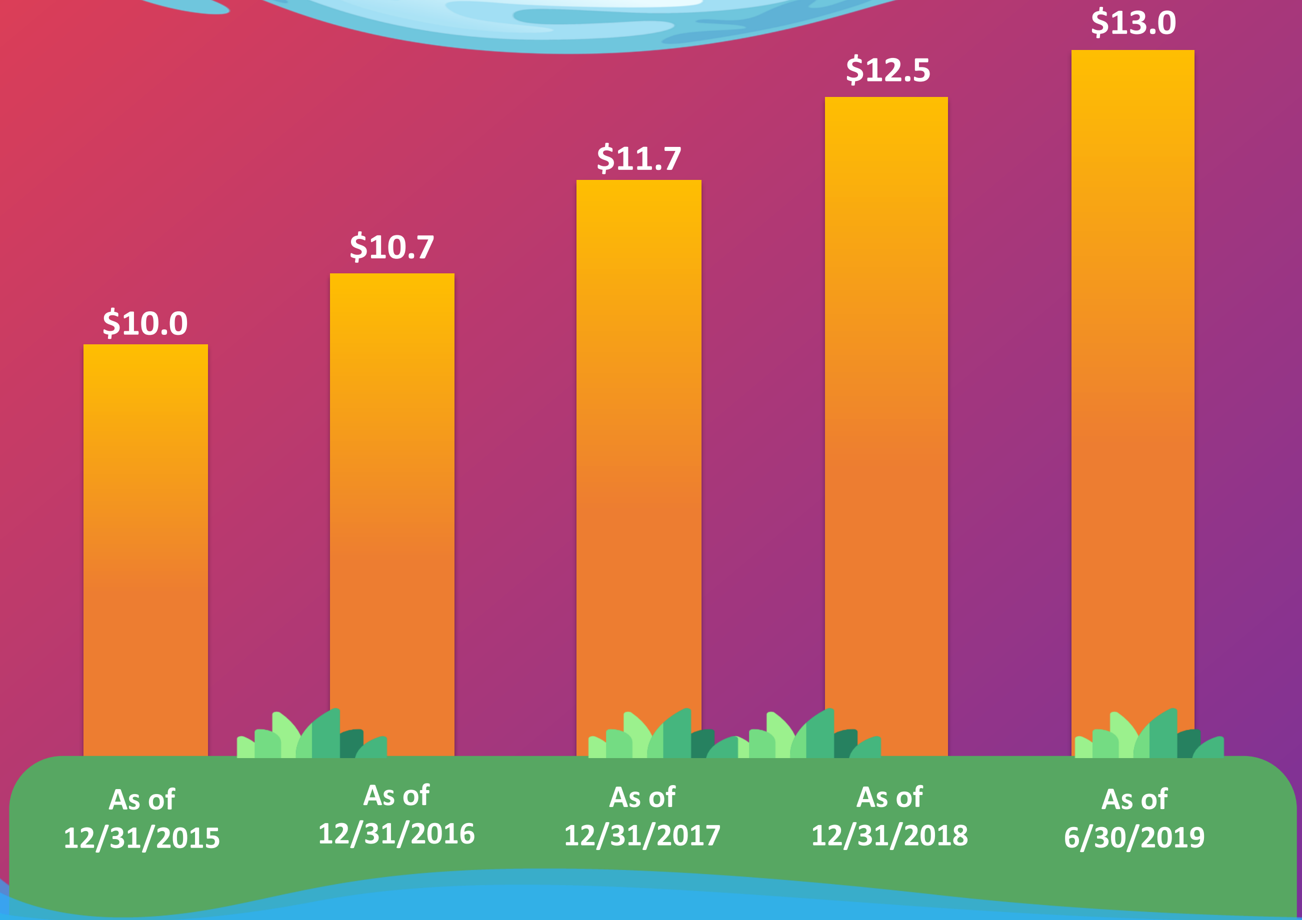
Rate Base Calculation*

($ in millions)



Estimated Rate Base*	
	As of 6/30/2019
Net Utility Plant	$17.6
Less	
Advances for Construction	$0.2
CIAC – Contributions in Aid of Construction	$1.3
Net Deferred income taxes***	$3.1
	$4.6
Total Estimated Rate Base	**$13.0**

≈7-8%**

Expected Rate base CAGR through 2023

*An approximation of rate base, which includes Net Utility Plant not yet included in rate base pending rate case filings/outcomes
**Anchored off of 2017 rate base
*** Includes the regulatory liability established to normalize the impact of tax rate changes under the Tax Cuts and Jobs Act

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Rates Effective since January 1, 2019

Rate Cases & Step Increases	Date Effective	Annualized Revenue Increases Effective in 2019
Maryland	2/5/2019	$1[a]
West Virginia	2/25/2019	19[b]
New York	4/1/2019	4[c]
California	5/11/2019	4[d]
Kentucky	6/28/2019	13
Indiana	7/1/2019	4[e]
		$45
Infrastructure Charges		
Illinois (QIP)	1/1/2019	$8
West Virginia (DSIC)	1/1/2019	2
Pennsylvania (DSIC)	4/1/2019	2
Missouri (ISRS)	6/24/2019	9
New Jersey (DSIC)	7/1/2019	15
Pennsylvania (DSIC)	7/1/2019	3
		$39
	Total	**$84**

[a] On February 5, 2019, the Maryland Public Service Commission issued an Order authorizing an increase of $1.45 million effective February 5, 2019.
[b] On February 8, 2019, the West Virginia Public Service Commission issued an Order authorizing an increase of $19 million effective February 25, 2019, this excludes $4 million in DSIC revenues.
[c] Total Rate award for this rate case was $20.9 million with increases of $3.6, $4.8, $4.6 and $7.9 million effective 6/1/2017, 4/1/2018, 4/1/2019 and 4/1/2020, respectively. The Rate award for the rate case was adjusted to $17.9 million with increases of $2.8, $4.1, $3.9 and $7.1 million effective 6/1/2017, 4/1/2018, 4/1/2019 and 4/1/2020, respectively, to reflect an adjustment to property taxes.
[d] 2019 step rate increases approved effective May 11, 2019. A tier 2 advice letter will be filed within 90 days of the effective date to implement a surcharge to true-up the interim rates. The surcharge shall include differences between interim rates and adopted rates through the 2019 escalation year up to the effective date of May 11, 2019.
[e] The overall increase is $17.5 million in revenues combined over two steps, the first step is effective 7/1/2019 in the amount of $4.4 million and the second step should be effective 5/1/2020 in the amount of $13.1.

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Rate Filings Awaiting Final Order

Rate Cases Filed Company	Docket/Case Number	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
Virginia	Case No. PUR-2018-00175	11/2/2018	$5[a]	10.80%	$196
California	Case No. A. 19-07-xxx	7/1/2019	26[b]		689
			$31		**$885**
Infrastructure Charges Filed					
Tennessee (QIIP, EDI, SEC)		11/16/2018	$2[c]		$19
New York (SIC)		5/30/2019	2		18
West Virginia (DSIC)		6/28/2019	4 [d]		41
			$8		**$78**
	Total Awaiting Final Order:		**$39**		

[a] The requested increase filed for was $5.6 million, which includes $0.9 million from infrastructure filings. Interim rates were effective on May 1, 2019, under bond and subject to refund.
[b] Test Year 2021 revenue requirement requests an increase of $26.0 million. This excludes the step rate and attrition rate increase for 2022 and 2023 of $9.8 million and $10.8 million, respectively. The total revenue requirement request for the three year rate case cycle is $46.6 million.
[c] The $2 million revenue increase requested is proposed to be offset with savings from the Tax Cuts and Jobs Act savings.
[d] The DSIC revenue requirement is $3.7 million increase which is offset by $0.1 million related to Boone-Raleigh Acquisition Settlement adjustment.

Regulated Utilities: Rate Base & Authorized Return on Equity

	CALIFORNIA	ILLINOIS	INDIANA	KENTUCKY	MISSOURI
Authorized Rate Base*	$498,135	$883,386	$1,061,192	$443,654	$1,249,293[b]
Authorized ROE	9.20%[a]	9.79%	9.80%	9.70%[e]	10.00%[e]
Authorized Equity	55.39%[a]	49.80%	53.41%[c]	48.90%	52.80%[d]
Effective Date of Rate Case	1/1/2018[a]	1/1/2017	7/1/2019	6/28/2019	5/28/2018

	NEW JERSEY	NEW YORK	PENNSYLVANIA	VIRGINIA	WEST VIRGINIA
Authorized Rate Base*	$2,950,471	$275,463	$3,162,597[b]	$155,747	$652,900[h]
Authorized ROE	9.60%	9.10%	10.00%[e]	9.25%	9.75%
Authorized Equity	54.00%	46.00%	53.75%[d]	46.09%	48.40%[h]
Effective Date of Rate Case	10/29/2018[g]	6/1/2017	1/1/2018	5/24/2017[f]	2/25/2019

*Rate Base stated in $000s

[a] On March 22, 2018, Decision 18-03-035 set the authorized cost of capital for 2018 through 2020. CA has a separate Cost of Capital case which sets the rate of return outside of a general rate proceeding.
[b] The Rate Base listed is the Company's view of the Rate Base allowed in the case, the Rate Base was not disclosed in the Order or the applicable settlement agreement.
[c] The Authorized Equity excludes cost-free items or tax credit balances at the overall rate of return which lowers the equity percentage as an alternative to the common practice of deducting such items from rate base.
[d] The equity ratio listed is the Company's view of the equity ratio allowed in the case, the actual equity ratio was not disclosed in the Order or the applicable settlement agreement.
[e] The ROE listed is the Company's view of the ROE allowed in the case, the ROE was not disclosed in the Order or the applicable settlement agreement.
[f] Interim rates were effective April 1, 2016 and received final Order May 24, 2017.
[g] Interim rates were effective June 15, 2018 and final rates effective October 29, 2018.
[h] The Rate Base and equity ratio listed is the Company's view of what was allowed in the case, there were multiple versions disclosed by the parties in the applicable settlement agreement.

2019 Closed Acquisitions* as of July 31st

State	Number of Systems	Water Customer Connections	Wastewater Customer Connections	Total Customer Connections
California	1	500	-	500
Illinois**	1	-	23,000	23,000
Indiana	1	2,900	-	2,900
Kentucky	2	400	200	600
Missouri	3	100	100	200
New Jersey	1	-	1,800	1,800
Pennsylvania	3	300	1,400	1,700
Total	12	4,200	26,500	30,700

* Customer Connections are rounded

** This includes the Alton, IL acquisition, which represents 23,000 customer connections, due to bulk contracts. Connections to the system will be approximately 11,000

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Pending Acquisitions* as of July 31st

State	Number of Systems	Water Customer Connections	Wastewater Customer Connections	Total Customer Connections
California	5	11,500	-	11,500
Hawaii	1	-	200	200
Iowa	1	100	-	100
Illinois	10	1,600	8,800	10,400
Indiana	2	3,300	500	3,800
Missouri	5	-	100	100
Pennsylvania	3	2,300	9,000	11,300
West Virginia	2	800	-	800
Total	29	19,600	18,600	38,200

* Customer Connections are rounded

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Reconciliation Table: Consolidated Adjusted Earnings Per Share*

Consolidated Adjusted EPS	For the Twelve Months Ended December 31, 2018	2017	2018 vs. 2017	Percentage
Diluted earnings per share (GAAP):				
Net income attributable to common shareholders	**$ 3.15**	**$ 2.38**	**$ 0.77**	
Adjustments:				
Contract Services Gain on Sale	(0.08)	-	(0.08)	
Income tax impact	0.02	-	0.02	
Net adjustment	(0.06)	-	(0.06)	
Keystone Impairment	0.31	-	0.31	
Income tax impact	(0.08)	-	(0.08)	
Net loss attributable to noncontrolling interest	(0.01)	-	(0.01)	
Net adjustment	0.22	-	0.22	
Freedom Industries Insurance Settlement	(0.11)	(0.12)	0.01	
Income tax impact	0.03	0.05	(0.02)	
Net adjustment	(0.08)	(0.07)	(0.01)	
Early Debt Extinguishment at Parent	-	0.03	(0.03)	
Income tax impact	-	(0.01)	0.01	
Net adjustment	-	0.02	(0.02)	
Re-measurement from Tax Reform	0.07	0.70	(0.63)	
Total net adjustments	0.15	0.65	(0.50)	
Adjusted diluted earnings per share (non-GAAP)	**$ 3.30**	**$ 3.03**	**$ 0.27**	**8.9%**

*Amounts may not sum due to rounding

Reconciliation Table: Consolidated Adjusted Earnings Per Share*

Consolidated Adjusted EPS	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2019	2018	2019 vs. 2018	Percentage	2019	2018	2019 vs. 2018	Percentage
Diluted earnings per share (GAAP):								
Net income attributable to common shareholders	**$ 0.94**	**$ 0.91**	**$ 0.03**		**$ 1.56**	**$ 1.50**	**$ 0.06**	
Adjustments:								
Freedom Industries settlement activities	-	(0.11)	0.11		(0.02)	(0.11)	0.09	
Income tax impact	-	0.03	(0.03)		0.01	0.03	(0.02)	
Net adjustments	-	(0.08)	0.08		(0.01)	(0.08)	0.07	
Adjusted diluted earnings per share (non-GAAP)	**$ 0.94**	**$ 0.83**	**$ 0.11**	**13.3%**	**$ 1.55**	**$ 1.42**	**$ 0.13**	**9.2%**

Consolidated Adjusted EPS	For the Three Months Ended March 31,			
	2019	2018	2019 vs. 2018	Percentage
Diluted earnings per share (GAAP):				
Net income attributable to common shareholders	**$ 0.62**	**$ 0.59**	**$ 0.03**	
Adjustments:				
Freedom Industries settlement activities	(0.02)	-	(0.02)	
Income tax impact	0.01	-	0.01	
Net adjustments	(0.01)	-	(0.01)	
Adjusted diluted earnings per share (non-GAAP)	**$ 0.61**	**$ 0.59**	**$ 0.02**	**3.4%**

Amounts may not sum due to rounding

Reconciliation Table: Adjusted Earnings Per Share Guidance Range*

Regulated Businesses Adjusted EPS	For the Three Months Ended June 30, 2019	2018	2019 vs. 2018	Percentage	For the Six Months Ended June 30, 2019	2018	2019 vs. 2018	Percentage
Diluted earnings per share (GAAP):								
Net income attributable to common shareholders	**$ 0.87**	**$ 0.94**	**$ (0.07)**		**$ 1.47**	**$ 1.52**	**$ (0.05)**	
Adjustments:								
Freedom Industries settlement activities	-	(0.11)	0.11		(0.02)	(0.11)	0.09	
Income tax impact	-	0.03	(0.03)		0.01	0.03	(0.02)	
Net adjustments	-	(0.08)	0.08		(0.01)	(0.08)	0.07	
Adjusted diluted earnings per share (non-GAAP)	**$ 0.87**	**$ 0.86**	**$ 0.01**	**1.2%**	**$ 1.46**	**$ 1.44**	**$ 0.02**	**1.4%**

Regulated Businesses Adjusted EPS (excluding weather impact)	For the Three Months Ended June 30, 2019	2018	2019 vs. 2018	Percentage	For the Six Months Ended June 30, 2019	2018	2019 vs. 2018	Percentage
Diluted earnings per share (GAAP):								
Net income attributable to common shareholders	**$ 0.87**	**$ 0.94**	**$ (0.07)**		**$ 1.47**	**$ 1.52**	**$ (0.05)**	
Adjustments:								
Freedom Industries settlement activities	-	(0.11)	0.11		(0.02)	(0.11)	0.09	
Income tax impact	-	0.03	(0.03)		0.01	0.03	(0.02)	
Net adjustments	-	(0.08)	0.08		(0.01)	(0.08)	0.07	
Weather Impact	0.04	(0.01)	0.05		0.04	(0.01)	0.05	
Adjusted diluted earnings per share (non-GAAP)	**$ 0.91**	**$ 0.85**	**$ 0.06**	**7.0%**	**$ 1.50**	**$ 1.43**	**$ 0.07**	**4.9%**

2019 EPS Guidance Range	Low End	High End
Diluted earnings per share:		
Earnings guidance range (GAAP)	**$ 3.55**	**$ 3.65**
Adjustment:		
Freedom Industries liability reduction	(0.02)	(0.02)
Income tax impact	0.01	0.01
Net adjustment	(0.01)	(0.01)
Adjusted earnings guidance range (non-GAAP)	**$ 3.54**	**$ 3.64**

*Amounts may not sum due to rounding

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Reconciliation Table: Adjusted Return on Equity

	LTM June 30, 2018	LTM June 30, 2019
Net Income	$470	$582
Adjustments:		
Freedom Industries activities	(42)	(4)
Early Debt Extinguishment at Parent	6	-
Keystone Impairment	-	54
Contract Services Gain on Sale	-	(14)
Tax Impact for items above	11	(11)
Re-measurement from Tax Reform	125	12
Adjusted Net Income from Continuing Operations (a)	**$570**	**$619**
Shareholders' equity	$5,736	$6,027
Adjustments:		
Freedom Industries activities	(42)	(4)
Early Debt Extinguishment at Parent	6	-
Keystone Impairment	-	54
Contract Services Gain on Sale	-	(14)
Tax Impact for items above	11	(11)
Re-measurement from Tax Reform	125	12
Adjusted Shareholders' Equity (b)	**$5,836**	**$6,064**
Adjusted Return on Equity (a/b)	**9.8%**	**10.2%**

*Amounts may not sum due to rounding

Reconciliation Table: Regulated Segment O&M Efficiency Ratio

Regulated Segment O&M Efficiency Ratio (A Non-GAAP Unaudited Number) *($ in millions)*	FY 2010	FY 2012	FY 2014	FY 2016	FY 2018	LTM 6/30/2019
Total operations and maintenance expense	$1,291	$1,330	$1,350	$1,504	$1,479	$1,520
Less:						
Operations and maintenance expense – Market Based Operations	257	256	289	372	362	387
Operations and maintenance expense – Other	(61)	(56)	(51)	(44)	(42)	(48)
Total operations and maintenance expense – Regulated Businesses	**$1,095**	**$1,130**	**$1,112**	**$1,176**	**$1,159**	**$1,181**
Less:						
Regulated purchased water expense	100	110	122	122	133	132
Allocation of non-operation and maintenance expenses	29	35	39	30	31	33
Impact of Freedom Industries activities	-	-	10	65	(20)	(4)
Estimated impact of weather	-	5	(2)	-	-	-
Adjusted operations and maintenance expense – Regulated Businesses (a)	**$966**	**$980**	**$943**	**$959**	**$1,015**	**$1,020**
Total operating revenues	$2,555	$2,854	$3,011	$3,302	$3,440	$3,521
Less:						
Operating Revenues – Market Based Operations	295	307	355	451	476	528
Operating Revenues – Other	(26)	(17)	(18)	(20)	(20)	(22)
Total pro forma operating revenues – Regulated Businesses	**$2,286**	**$2,564**	**$2,674**	**$2,871**	**$2,984**	**$3,015**
Less:						
Regulated Purchased Water expense*	100	110	122	122	133	132
Plus:						
Freedom Industries chemical spill in West Virginia	-	-	1	-	-	-
Estimated impact of weather	-	(47)	17	-	-	-
Adjusted pro forma operating revenues—Regulated Businesses (b)	**$2,186**	**$2,407**	**$2,570**	**$2,749**	**$2,851**	**$2,883**
Adjusted O&M efficiency ratio—Regulated Businesses (a)/(b)	**44.2%**	**40.7%**	**36.7%**	**34.9%**	**35.6%**	**35.4%**

Adjusted operations and maintenance expense – Regulated Businesses	**$966**	**$980**	**$943**	**$959**
Less:				
Impact of adoption of ASU 2017-07 ***	-	39	(8)	12
Adjusted operations and maintenance expense – Regulated Businesses (c)	**$966**	**$941**	**$951**	**$947**
Adjusted operating revenues—Regulated Businesses	**$2,186**	**$2,407**	**$2,570**	**$2,749**
Less pro forma adjustment:				
Pro forma adjustment for impact of the TCJA**	89	112	137	161
Adjusted pro forma operating revenues—Regulated Businesses (d)	**$2,097**	**$2,294**	**$2,433**	**$2,588**
Adjusted O&M efficiency ratio—Regulated Businesses (c)/(d)	**46.1%**	**41.0%**	**39.1%**	**36.6%**

** Calculation assumes purchased water revenues approximate purchased water expenses*

*** Calculation of Estimated tax reform = Revenue Requirement with new Effective Tax Rate (taxes grossed up) – Revenue Requirement with old Effective Tax Rate*

**** Includes the impact of the Company's adoption of ASU 2017-07, Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Post-retirement Benefit, on January 1, 2018.*