

June 28, 2010



# **California Water Service Company Reaches Settlement Agreement With Division of Ratepayer Advocates on 2009 California General Rate Case**

SAN JOSE, CA -- (MARKET WIRE) -- 06/28/10 -- California Water Service Group (NYSE: CWT) today announced that its largest subsidiary, California Water Service Company, has entered into a settlement agreement with the California Public Utilities Commission's (Commission's) Division of Ratepayer Advocates and other participants on its company-wide 2009 General Rate Case.

The settlement is not binding on the Commission, which must take input from other participants and determine whether the settlement terms are in the public interest. The Commission may adopt the settlement in whole, in part, or reject it. The Commission's final decision on Cal Water's rate request is expected by the end of the fourth quarter of 2010 and will be effective January 1, 2011.

The settlement recommends rate increases that would add \$35.3 million to gross revenues, as well as an additional \$7 million of rate relief that may be obtained after completion of certain capital projects.

California Water Service Group is the parent company of California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, Hawaii Water Service Company, Inc., CWS Utility Services, and HWS Utility Services. Together these companies provide regulated and non-regulated water service to nearly 2 million people in 100 California, Washington, New Mexico, and Hawaii communities. Group's common stock trades on the New York Stock Exchange under the symbol "CWT."

This news release contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 ("Act"). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the Act. Forward-looking statements are based on currently available information, expectations, estimates, assumptions and projections, and management's judgment about the Company, the water utility industry and general economic conditions. Such words as expects, intends, plans, believes, estimates, assumes, anticipates, projects, predicts, forecasts or variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not guarantees of future performance. They are subject to uncertainty and changes in circumstances. Actual results may vary materially from what is contained in a forward-looking statement. Factors that may cause a result different than expected or anticipated include, but are not limited to: governmental and regulatory commissions' decisions; changes in regulatory commissions' policies and procedures; the timeliness of regulatory commissions' actions concerning rate relief; new legislation; electric power interruptions; increases in suppliers' prices and the availability of supplies including water and power;

fluctuations in interest rates; changes in environmental compliance and water quality requirements; acquisitions and our ability to successfully integrate acquired companies; the ability to successfully implement business plans; changes in customer water use patterns; the impact of weather on water sales and operating results; access to sufficient capital on satisfactory terms; civil disturbances or terrorist threats or acts, or apprehension about the possible future occurrences of acts of this type; the involvement of the United States in war or other hostilities; restrictive covenants in or changes to the credit ratings on our current or future debt that could increase our financing costs or affect our ability to borrow, make payments on debt or pay dividends; and, other risks and unforeseen events. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph, as well as the annual 10-K, Quarterly 10-Q, and other reports filed from time-to-time with the Securities and Exchange Commission (SEC). The Company assumes no obligation to provide public updates of forward-looking statements.

Additional information is available at our Web site at [www.calwatergroup.com](http://www.calwatergroup.com).