

September 14, 2016



Hawaii Water Service Company Receives Regulatory Approval on 2015 Rate Case

WAIKOLOA, HI -- (Marketwired) -- 09/14/16 -- Hawaii-Hawaii Water Service Company (Hawaii Water), a subsidiary of California Water Service Group (NYSE: CWT), announced today that it has received approval from the Hawaii Public Utilities Commission (Commission) to increase annual revenues by 20 percent, or nearly \$1.1 million, in its Ka'anapali water system for improvements made locally. The increase will become effective after the Commission approves the new tariff to be filed by the company.

In its decision issued September 12, 2016, the Commission approved an increase in revenue of \$1,061,351 to recover costs associated with providing reliable, high-quality water service in Ka'anapali. Hawaii Water filed its Rate Case in late December 2015 to increase rates for the first time in more than four years for the Ka'anapali service area. The utility's Ka'anapali system provides potable water service to residential customers and resort developments on the island of Maui.

The increase will allow Hawaii Water to recover costs for infrastructure improvements including replacement of meters and service lines; recoating and reinforcement of a 1.5 million gallon tank to extend the life of the tank; replacement of an aging 50,000-gallon storage tank with a 100,000-gallon storage tank to increase operational flexibility; replacement of another aging 10,000-gallon storage tank; upgrades to the Supervisory Control And Data Acquisition (SCADA) system that allows for remote monitoring of facilities; and well pump and motor replacements. The decision also authorized recovery for Hawaii Water's long-term Water Supply and Facilities Master Plan.

"We appreciate the prudent, timely decision made by the Hawaii Public Utilities Commission after a thorough review of our operations, costs, and service to ensure that water rates accurately reflect the costs of providing service," said Martin A. Kropelnicki, President and CEO of Hawaii Water Service Company. "We are committed to providing quality, service, and value to our Ka'anapali customers and have made significant investments in the water system so that we can continue to provide these customers with reliable, high-quality water service."

Additionally, because the cost of electricity is such a significant portion of the cost to provide water service in Hawaii, the decision also allows for the entire cost of power to be separately identified from all other charges on the customer's bill. Hawaii Water Service Company, which bills power costs to customers on a dollar-for-dollar basis, testified to the Commission that this separate line item -- called the Power Cost Charge -- is important to give customers visibility on how much energy it takes to provide water service to them.

The Commission's decision was based on a settlement reached with the State of Hawaii Consumer Advocate's office in July 2016.

Hawaii Water Service Company provides water and wastewater service to many communities located on Maui and Big Island of Hawaii. Hawaii Water Service Company is a

wholly owned subsidiary of California Water Service Group, which also includes California Water Service, Washington Water Service Company, New Mexico Water Service Company, CWS Utility Services, and HWS Utility Services. Together, these companies provide regulated and non-regulated water service to approximately 2 million people in more than 100 California, Washington, New Mexico, and Hawaii communities. Group's common stock trades on the New York Stock Exchange under the symbol "CWT." Additional information is available at our web site at www.calwatergroup.com.

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 would, 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; success by non-settling parties in opposing the settlement; the timeliness of regulatory commissions' actions concerning rate relief; electric power interruptions; increases in suppliers' prices and the availability of supplies including water and power; changes in environmental compliance and water quality requirements; changes in customer water use patterns; the impact of weather on water sales and operating results; our access to sufficient capital on satisfactory terms; civil disturbances or terrorist threats or acts interfering with our facilities or operations, or apprehension about the possible future occurrences of acts of this type; restrictive covenants in or changes to the credit ratings on our current or future debt that 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.