

May 29, 2015



California Water Service's Drought Response Plan to Become Effective June 1

SAN JOSE, CA -- (Marketwired) -- 05/29/15 -- California Water Service's Schedule 14.1 filing, which establishes household and business water budgets and associated enforcement measures in order to achieve state-mandated water use reductions necessitated by historic drought conditions, will become effective on June 1, 2015, after a 30-day review by the California Public Utilities Commission. California Water Service (Cal Water) is the largest subsidiary of California Water Service Group (NYSE: CWT).

"Our customers are being required by the state to achieve some ambitious water use reduction targets, and getting Schedule 14.1 in place was a necessary step. But our goal is to take a customer-first approach, and work hand-in-hand with customers to help them hit the mark," said Martin A. Kropelnicki, President and Chief Executive Officer.

Cal Water's Schedule 14.1 filing, which applies to both residential and non-residential customers, is responsive to Governor Brown's emergency drought declaration and executive order requiring a statewide 25% reduction in urban, potable water use. It also complies with regulations adopted by the State Water Resources Control Board (Board) and the Commission to achieve that reduction by the end of February 2016.

The new regulations adopted by the Board require Cal Water customers throughout California to achieve water-use reductions between 8 and 36 percent as compared to their usage in 2013.

With the approval of the Schedule 14.1 filing, beginning June 1, 2015, individual customers in each Cal Water district will be given water budgets based upon their water use each month in 2013 minus the state-mandated reduction. If a customer uses less than his or her water budget, the unused water will be carried forward, similar to rollover minutes on a cell phone plan.

Water used in excess of the monthly budget will be subject to a drought surcharge. The surcharge will be discounted for customers on Cal Water's Low-Income Rate Assistance (LIRA) program.

To help with compliance, the customer's monthly bill will show his or her water budget for the following month. Customers' water use history back to 2011 and their water budgets will also be available online at www.calwater.com beginning in June.

Schedule 14.1 also puts measures in place to enable Cal Water to enforce the water-use prohibitions set by the Board. (For a complete list of water uses prohibited by the Board, click here: www.calwater.com/conservation/drought/prohibited-uses-water.)

In the short time since the Governor's Executive Order, Cal Water has set up a centralized drought call center staffed by specially trained customer service representatives and put

additional water conservation and drought experts out in the field to help customers meet their water reduction targets. The utility is also introducing a new turf replacement rebate program in June.

"We are facing what could be the worst drought of our lifetime. We need to work together to get through it," Kropelnicki said.

For information on all of the conservation rebates available to Cal Water customers, visit www.calwater.com.

California Water Service Group is the parent company of California Water Service, 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 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; the timeliness of regulatory commissions' actions concerning rate relief; new legislation; changes in accounting valuations and estimates; changes in accounting treatment for regulated companies, including adoption of International Financial Reporting Standards, if required; 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; litigation that may result in damages or costs not recoverable from third parties; 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 and climate 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; our ability to attract and retain qualified employees; labor relations matters as we negotiate with the unions; federal health care law changes that could result in increases to Company health care costs and additional income tax expenses in future years; changes in federal and state income tax regulations and treatment of such by regulatory commissions; implementation of new information technology systems; changes in operations that result in an impairment to acquisition goodwill; 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; general economic conditions, including changes in customer growth patterns and our ability to collect billed revenue from customers; 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.