

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): October 22, 2003

CALIFORNIA WATER SERVICE GROUP
(Exact name of registrant as specified in its charter)

Delaware 77-0448994
(State of Incorporation) (I.R.S. Employer Identification No.)

Commission file number 1-13883

1720 North First Street, San Jose, CA.
Address of principal executive offices)

95112
(Zip Code)

1-408-367-8200
(Registrant's telephone number, including area code)

Former name, former address and former fiscal year, if changed since last report: Not Applicable

Item 12. Disclosure of Results of Operations and Financial Condition

On October 22, 2003, the registrant issued the press release attached to this report as Exhibit 99, which announces the results of its operations for the quarter ended September 30, 2003.

SIGNATURES

Pursuant to the requirement of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CALIFORNIA WATER SERVICE GROUP

Registrant

Date: October 22, 2003

By: /s/ Richard D. Nye

Richard D. Nye
Vice President,
Chief Financial Officer and Treasurer

NEWS RELEASE

[CALIFORNIA WATER SERVICE GROUP SEAL]

[CWT Listed NYSE OBJECT OMITTED]

CALIFORNIA WATER SERVICE GROUP

1720 North First Street
San Jose, CA 95112-4598

October 22, 2003
For Immediate Release

Contact: Richard Nye (408) 367-8216 (analysts)
Shannon Dean (310) 257-1435 (media)

03G09

CAL WATER ANNOUNCES 12% INCREASE
IN THIRD QUARTER 2003 NET INCOME;
BOARD DECLARES 236th CONSECUTIVE QUARTERLY DIVIDEND

SAN JOSE, CA - California Water Service Group (NYSE : CWT) today announced third quarter net income of \$8.6 million and earnings of \$0.53 per share, compared to net income of \$7.7 million and earnings of \$0.50 per share in the third quarter of 2002.

Revenue for the third quarter increased \$6.8 million or 8% to \$88.2 million. Higher water usage by existing customers added \$1.5 million, rate increases added \$3.2 million, and sales to new customers added \$2.0 million, \$0.9 million of which is attributable to customers added with the acquisition of the Kaanapali Water Corporation in Hawaii.

According to President and CEO Peter C. Nelson, securing fair and timely rate relief continues to be a key driver of the Company's financial performance.

"Our approach in the rate setting process is beginning to yield results. We will continue our focus in this area, because it is critical to our continued success," Nelson said.

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Third quarter revenues reflect approval by the California Public Utilities Commission (Commission) of the Company's 2001 rate cases. In its decision, the Commission granted an 8.9% rate of return on rate base for 14 of the Company's California Districts and approved rate increases that will add \$12.8 million to annual revenues. The Company began charging the new rates on September 9, 2003. Pursuant to a previous decision to establish April 3, 2003 as an effective date for the new rates, the Commission also authorized the Company to collect \$5.0 million in surcharges for the period from April 3, 2003 to September 9, 2003, which will be collected over a 12-month period.

On October 16, 2003, the Commission also approved the Company's request to recover an annual \$4.2 million in costs associated with the Bakersfield Treatment Plant. That decision will add \$0.3 million to revenues in the fourth quarter of 2003 and \$4.2 million to revenues in 2004.

Pending applications to the Commission include general rate case filings made in November 2002 and January 2003. In the third quarter of 2003, the Company also requested recovery of \$6 million in "balancing-type memorandum accounts," which primarily reflect electricity rate increases that were not included in rates. The Company cannot predict the amount or the timing of CPUC decisions on pending applications.

Higher revenues in the third quarter of 2003 were partially offset by an 8% or \$5.8 million increase in total operating expenses. Water production costs, which consist of purchased water, power, and pump taxes, increased 8%, reflecting increases in water purchases and higher rates for purchased water as well as a 7% increase in power costs. Maintenance expense increased 5% because more repairs were made to pumping

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equipment, water lines, and services. Depreciation expense increased 11% due to capital expenditures. Other operating costs increased 7%, primarily due to increases in payroll, related benefit costs, and changes made to the pension plan effective January 1, 2003.

At their meeting today, the Directors declared a dividend on common stock in the amount of \$0.28125 per share, which is the 236th consecutive quarterly dividend. It is payable on November 14, 2003, to stockholders of record on October 31, 2003. The regular dividend on Series C preferred stock was

also declared.

On Thursday, October 23, 2003, at 1 p.m. Pacific Standard Time (4 p.m. Eastern Standard Time), the Company will conduct a teleconference call, at which time management will provide comments about third quarter 2003 operating results and other pertinent matters. Any stockholder or interested investor can listen to the teleconference or a replay. The dial-in number to access the teleconference is 1-800-482-2225, call ID #266638. Additional information about the call, including replay information, is available at the Company's web site, at www.calwater.com.

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. and CWS Utility Services. Together these companies provide regulated and non-regulated water service to over 2 million people in 99 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

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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: 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. The Company assumes no obligation to provide public updates of forward-looking statements.

Additional information is available at our Web site at www.calwater.com.

Attachments (3).

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CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

Unaudited

(In thousands, except per share data)

	September 30, 2003	December 31, 2002
	-----	-----
<S>	<C>	<C>
ASSETS		
Utility plant:		
Utility plant	\$ 1,063,323	\$ 1,001,310
Less accumulated depreciation and amortization	320,594	304,322
	-----	-----
Net utility plant	742,729	696,988
	-----	-----
Current assets:		
Cash and cash equivalents	12,396	1,063
Receivables	26,438	23,961

Unbilled revenue	12,684	7,969
Materials and supplies at average cost	2,934	2,760
Taxes and other prepaid expenses	8,086	7,234
	-----	-----
Total current assets	62,538	42,987
	-----	-----
Other assets:		
Regulatory assets	53,017	46,089
Other assets	16,907	14,518
	-----	-----
Total other assets	69,924	60,607
	-----	-----
	\$ 875,191	\$ 800,582
	=====	=====
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, \$.01 par value	\$ 169	\$ 152
Additional paid-in capital	93,773	49,984
Retained earnings	148,695	149,215
Accumulated other comprehensive loss	(134)	(134)
	-----	-----
Total common stockholders' equity	242,503	199,217
Preferred stock	3,475	3,475
Long-term debt, less current maturities	270,909	250,365
	-----	-----
Total capitalization	516,887	453,057
	-----	-----
Current liabilities:		
Current maturities of long-term debt	900	1,000
Short-term borrowings	2,479	36,379
Accounts payable	29,020	23,706
Accrued expenses and other liabilities	44,070	30,456
	-----	-----
Total current liabilities	76,469	91,541
	-----	-----
Unamortized investment tax credits	2,875	2,774
Deferred income taxes	38,414	31,371
Regulatory and other liabilities	34,123	28,804
Advances for construction	120,919	115,459
Contributions in aid of construction	85,504	77,576
Commitments and contingencies	--	--
	-----	-----
	\$ 875,191	\$ 800,582
	=====	=====

</TABLE>

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CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
Unaudited

For the three months ended:	September 30, 2003	September 30, 2002
	-----	-----
Operating revenue	\$ 88,197	\$ 81,440
	-----	-----
Operating expenses:		
Operations	58,398	54,190
Maintenance	3,172	3,010
Depreciation and amortization	5,830	5,263
Income taxes	5,587	5,047
Property and other taxes	2,691	2,333
	-----	-----
Total operating expenses	75,678	69,843
	-----	-----
Net operating income	12,519	11,597
	-----	-----
Other income and expenses:		
Non-regulated income, net	623	527
Gain on sale of non-utility property	24	(13)
	-----	-----
	647	514
	-----	-----
Interest expense:		
Long-term debt interest	4,234	4,149
Other interest	345	287
	-----	-----
Total interest expense	4,579	4,436
	-----	-----
Net income	\$ 8,587	\$ 7,675
	=====	=====
Earnings per share		

Basic	\$ 0.53	\$ 0.50
	=====	=====
Diluted	\$ 0.53	\$ 0.50
	=====	=====
Weighted average shares outstanding		
Basic	16,209	15,182
	=====	=====
Diluted	16,222	15,185
	=====	=====
Dividends per share of common stock	\$0.28125	\$0.28000
	=====	=====

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CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
Unaudited

For the nine months ended:	September 30, 2003	September 30, 2002
	-----	-----
Operating revenue	\$207,502	\$202,234
	-----	-----
Operating expenses:		
Operations	141,851	134,222
Maintenance	9,488	8,365
Depreciation and amortization	17,428	16,045
Income taxes	8,348	10,898
Property and other taxes	7,694	7,349
	-----	-----
Total operating expenses	184,809	176,879
	-----	-----
Net operating income	22,693	25,355
	-----	-----
Other income and expenses:		
Non-regulated income, net	1,792	1,417
Gain on sale of non-utility property	1,535	1,961
	-----	-----
	3,327	3,378
	-----	-----
Interest expense:		
Long-term debt interest	12,451	11,518
Other interest	1,165	994
	-----	-----
Total interest expense	13,616	12,512
	-----	-----
Net income	\$ 12,404	\$ 16,221
	=====	=====
Earnings per share		
Basic	\$ 0.79	\$ 1.06
	=====	=====
Diluted	\$ 0.79	\$ 1.06
	=====	=====
Weighted average shares outstanding		
Basic	15,528	15,182
	=====	=====
Diluted	15,539	15,185
	=====	=====
Dividends per share of common stock	\$0.84375	\$0.84000
	=====	=====

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