

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 27, 2004  
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CALIFORNIA WATER SERVICE GROUP  
(Exact name of registrant as specified in its charter)

Delaware	1-13883	77-0448994
-----	-----	-----
(State or other jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
1720 North First Street, San Jose, CA.		95112
-----		-----
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code		1-408-367-8200
		-----

Not Applicable

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(Former name or former address, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 27, 2004, the registrant issued the press release attached to this report as Exhibit 99, which announces the results of operations for the third quarter of 2004.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

The list of exhibits called for by this Item is incorporated by reference to the exhibit index to this report.

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 hereunto duly authorized.

CALIFORNIA WATER SERVICE GROUP  
(Registrant)

Date: October 28, 2004

By: /s/ Richard D. Nye

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

Exhibit Index

Exhibit No.  
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Description  
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99	Press release of the registrant dated October 27, 2004 which announces the results of operations for the third quarter of 2004.
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[CALIFORNIA WATER  
SERVICE GROUP  
LOGO]

[CWT  
LISTED  
NYSE LOGO]

NEWS RELEASE  
CALIFORNIA WATER SERVICE GROUP

1720 North First Street  
San Jose, CA 95112-4598

October 27, 2004  
For Immediate Release

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

CAL WATER ANNOUNCES THIRD QUARTER 2004 RESULTS;  
BOARD DECLARES 240TH CONSECUTIVE QUARTERLY DIVIDEND

SAN JOSE, CA - California Water Service Group (NYSE : CWT) today announced net income of \$10.8 million and earnings of \$0.59 per share for the third quarter of 2004, compared to net income of \$8.6 million and earnings of \$0.53 per share in the third quarter of 2003.

Revenue for the third quarter increased \$8.9 million, or 10%, to \$97.1 million. Rate increases added \$9.9 million to revenue, while sales to new customers added \$1.3 million. Partially offsetting these higher revenues was a 3%, or \$2.3 million, decrease in sales to existing customers compared to the same period last year.

Total operating expenses for the third quarter increased 9%, or \$6.9 million. Water production costs increased 3% due to rate increases by wholesale water suppliers. Other operations expenses increased by 14%. For the quarter, the Company experienced unexpected cost increases from higher claims for health benefits and workers' compensation. Both of these programs are basically self insured with stop loss insurance coverage for extraordinary claims. In addition,

costs increases were incurred to comply with the Sarbanes Oxley (SOX) requirements on internal controls. SOX costs have increased more than originally estimated. Areas of cost increases that were in line with internal expectations were depreciation and property taxes due to capital investments, and higher income taxes driven by the higher taxable income.

"Our third quarter results were good. Although we had some unexpected cost increases for health benefits and workers' compensation claims, net income increased 26% over last year," said President and Chief Executive Officer Peter C. Nelson.

"Also, we are very pleased to announce that we have prevailed in our efforts to stop the City of Selma from taking over our Selma water system," Nelson said.

At a public hearing on October 18, 2004, the Selma City Council voted unanimously to abandon efforts to acquire Cal Water's Selma system. Hundreds of customers made calls, signed petitions, wrote letters, and attended the public hearing to speak on the Company's behalf.

The Company will also pay its 240th consecutive dividend. On October 27, 2004, Directors declared a dividend of \$0.2825 on common stock. It is payable on November 19, 2004, to stockholders of record on November 8, 2004. The regular dividend on Series C preferred stock was also declared.

Investors are invited to listen to the Company's analyst teleconference, which is scheduled for 4:00 p.m. EDT / 1:00 p.m. PDT on October 28, 2004. The

call-in number is 1-866-244-4742 and the ID No. is 558049. A replay is available through January 26, 2005, by calling 1-888-266-2081 and entering pass code 558049.

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 more than 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: governmental and regulatory commissions' decisions; changes in regulatory commissions' policies and procedures; the timeliness of regulatory commissions' actions concerning rate relief; new legislation; the ability to satisfy requirements related to the Sarbanes Oxley Act section 404 and other regulation on internal controls; 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.calwatergroup.com](http://www.calwatergroup.com).

Attachments (3).

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		September 30,
		2004
2003		-----
<S>		<C>
<C>		
ASSETS		
Utility plant:		
	Utility plant	\$ 1,124,938
\$ 1,078,975	Less accumulated depreciation and amortization	337,766
319,477		-----
	Net utility plant	787,172
759,498		-----
Current assets:		
	Cash and cash equivalents	31,322
2,856	Customer receivables	23,950
18,434	Other receivables	4,881
5,125	Unbilled revenue	12,906
8,522	Materials and supplies	3,276
2,957	Taxes and other prepaid expenses	5,458
5,609		-----
	Total current assets	81,793
43,503		-----
		-----

Regulatory assets	55,398
53,326	
Other assets	18,571
16,708	
-----	
	\$ 942,934
\$ 873,035	=====
=====	
CAPITALIZATION AND LIABILITIES	
Capitalization:	
Common stock, \$.01 par value	\$ 183
\$ 169	
Additional paid-in capital	130,647
93,748	
Retained earnings	158,333
150,908	
Accumulated other comprehensive loss	(301)
(301)	
-----	
Total common stockholders' equity	288,862
244,524	
Preferred stock	3,475
3,475	
Long-term debt, less current maturities	271,895
272,226	
-----	
Total capitalization	564,232
520,225	-----
-----	
Current liabilities:	
Current maturities of long-term debt	857
904	
Short-term borrowings	--
6,454	
Accounts payable	26,779
23,776	
Accrued expenses and other liabilities	37,373
32,430	
-----	
Total current liabilities	65,009
63,564	
-----	
Unamortized investment tax credits	2,925
2,925	
Deferred income taxes	50,182
38,005	
Regulatory and other liabilities	37,967
35,835	
Advances for construction	129,008
121,952	
Contributions in aid of construction	93,611
90,529	
Commitments and contingencies	--
--	
-----	
	\$ 942,934
\$ 873,035	=====
=====	

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<CAPTION>

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

For the three months ended:  
September 30,

September 30,

2003

2004

<S>

<C>

<C>	
Operating revenue	\$ 97,104
\$ 88,197	
-----	-----
Operating expenses:	
Operations	62,456
58,398	
Maintenance	3,640
3,172	
Depreciation and amortization	6,518
5,830	
Income taxes	7,050
5,587	
Property and other taxes	2,942
2,691	
-----	-----
Total operating expenses	82,606
75,678	
-----	-----
Net operating income	14,498
12,519	
-----	-----
Other income and expenses:	
Non-regulated income, net	650
623	
Gain on sale of non-utility property	6
24	
-----	-----
Total other income and expenses	656
647	
-----	-----
Interest expense:	
Interest expense	4,615
4,879	
Less capitalized interest	250
300	
-----	-----
Total interest expense	4,365
4,579	
-----	-----
Net income	\$10,789
\$ 8,587	
=====	=====
Earnings per share	
Basic	\$ 0.59
\$ 0.53	
=====	=====
Diluted	\$ 0.59
\$ 0.53	
=====	=====
Weighted average shares outstanding	
Basic	18,345
16,209	
=====	=====
Diluted	18,360
16,222	
=====	=====
Dividends per share of common stock	\$0.28125
\$0.28125	
=====	=====

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<CAPTION>  
CALIFORNIA WATER SERVICE GROUP  
CONDENSED CONSOLIDATED STATEMENT OF INCOME

Unaudited  
(In thousands, except per share data)

For the nine months ended: September 30,	September 30, 2004
2003	-----
<S>	<C>
<C>	
Operating revenue	\$246,189
\$207,502	-----
Operating expenses:	
Operations	159,404
141,851	
Maintenance	9,853
9,488	
Depreciation and amortization	19,557
17,428	
Income taxes	14,852
8,348	
Property and other taxes	8,551
7,694	-----
Total operating expenses	212,217
184,809	-----
Net operating income	33,972
22,693	-----
Other income and expenses:	
Non-regulated income, net	1,773
1,792	
Gain on sale of non-utility property	7
1,535	-----
Total other income and expenses	1,780
3,327	-----
Interest expense:	
Interest expense	14,013
14,826	
Less capitalized interest	550
1,210	-----
Total interest expense	13,463
13,616	-----
Net income	\$ 22,289
\$ 12,404	=====
Earnings per share	
Basic	\$ 1.27
\$ 0.79	=====
Diluted	\$ 1.27
\$ 0.79	=====
Weighted average shares outstanding	
Basic	17,418
15,528	=====
Diluted	17,433
15,539	

=====  
Dividends per share of common stock  
\$0.84375

=====  
\$0.84750  
=====

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