

October 20, 2017



# Hawaii Public Utilities Commission Approves Settlement in Hawaii Water Service's Pukalani Rate Case

WAIKOLOA, Hawaii, Oct. 20, 2017 (GLOBE NEWSWIRE) -- Hawaii Water Service (Hawaii Water), a subsidiary of California Water Service Group (NYSE:CWT), yesterday received approval from the Hawaii Public Utilities Commission (Commission) to increase annual revenues by approximately \$771,000 in its Pukalani wastewater system for improvements made over recent years. The increase will become effective after the Commission approves the new tariff to be filed by the utility.

In its decision, the Commission authorized the increase in revenue of \$770,687 to recover costs associated with providing reliable wastewater service that meets all quality and environmental standards in Pukalani. The utility's Pukalani system provides wastewater service to residential and commercial customers, a school, and a community center on the island of Maui. Sewer rate increases for Pukalani customers were last approved by the Commission in 2014.

The increase, which will be phased in over four years to reduce the impact to customers, will allow Hawaii Water to recover costs for infrastructure improvements including upgrades to the wastewater treatment plant; enhancements to the water quality monitoring, management, and reporting system; and two emergency generators to ensure service is uninterrupted in the event of a power outage.

"We are committed to ensuring our Pukalani customers have high-quality, reliable wastewater service that meets all standards, and we continue to make significant improvements in the wastewater system to achieve this," said Martin A. Kropelnicki, President and CEO of Hawaii Water Service. "We appreciate the work done by the Hawaii Public Utilities Commission to review our operations, costs, and service and ensure that wastewater rates accurately reflect the costs of providing service. This enables us to remain focused on our promise to provide quality, service, and value to our customers."

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, which bills power costs to customers on a dollar-for-dollar basis, previously testified to the Commission that this separate line item – now called the Power Cost Charge – is important to give customers visibility on how much energy it takes to provide wastewater service to them.

The Commission's decision was based on a partial settlement reached with the State of Hawaii Consumer Advocate's office in July 2017.

Hawaii Water Service provides water and wastewater service to many communities located on Maui and Big Island of Hawaii. Hawaii Water Service is a wholly owned subsidiary of California Water Service Group, which also includes California Water Service, Washington

Water Service, New Mexico Water Service, CWS Utility Services, and HWS Utility Services. Together, these companies provide regulated and non-regulated utility 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 online at [www.calwatergroup.com](http://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.*