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California Water Service Company (Cal Water) Provides Water Supply Update; Says Its Districts Are Prepared to Meet Customer Demand Despite Drought Emergency

SAN JOSE, CA -- (Marketwired) -- 01/17/14 -- (NYSE: CWT) -- In the wake of Governor Jerry Brown's proclamation of a drought emergency this morning, California Water Service Company (Cal Water) provided a water supply update today for its 21 service areas throughout the state, indicating that its water systems are prepared to meet customer demand despite continuing dry conditions.

According to Cal Water, this is the driest year on record in the state of California. Although the utility does not anticipate requiring mandatory water use restrictions at this time, it does encourage customers to "keep up the good work" and continue using water efficiently. Cal Water has been a leader in conservation and since 2007 has spent nearly \$32 million helping customers to save water. A reflection of the success of the program: Per capita water use has declined an average of 15% throughout the company's service territories since 2007.

"Regardless of what happens at the state level, water supply availability varies by community. We plan for dry conditions, and where possible, we secure multiple sources of supply. So we are prepared. Having said that, water is a precious resource that should never be wasted, and we encourage our customers to continue using water as efficiently as possible," said Vice President of Engineering and Water Quality Robert R. Guzzetta.

Cal Water will closely monitor the situation; conditions could change if the lack of precipitation continues over the next few months. Cal Water will continue to provide a variety of conservation rebates and programs to help customers use water wisely and efficiently, which can be found at www.calwater.com/conservation.

Cal Water is the largest subsidiary of California Water Service Group (Group), which provides regulated and non-regulated water services to nearly 2 million people in California, Washington, New Mexico, and Hawaii. Group's 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, 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; 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, 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.