

January 5, 2018



# Hawaii Water Service Files General Rate Case for Waikoloa Service Areas

## Rate Case Seeks Recovery for Infrastructure Investments Made to Keep Systems Reliable

WAIKOLOA, Hawaii, Jan. 05, 2018 (GLOBE NEWSWIRE) -- Hawaii Water Service (Hawaii Water), a subsidiary of California Water Service Group (NYSE:CWT), filed a General Rate Case with the Hawaii Public Utilities Commission (HPUC) seeking recovery of capital investments in its Waikoloa Village and Waikoloa Resort systems. If approved as filed, total annual revenue would increase by \$3.8 million.

The filing requests additional revenue of \$205,026 for the Waikoloa Resort water system, \$2,046,590 for the wastewater system, and \$48,988 for the irrigation system, which also provides recycled water service to customers. The requested increase reflects, in part, upgrades made to the Supervisory Control and Data Acquisition (SCADA) system; construction of two new water wells; upgrades to a third well, electrical building, water mains, and a storage tank; relocation of wastewater mains; piping for a wastewater pump station; and the remainder of the new wastewater treatment plant (R-plant) construction. While customers have been served by the R-plant since 2012, Hawaii Water had previously included only a portion of the plant in rates to reduce the impact to customers.

In Waikoloa Village, annual revenue would increase \$728,105 for the water system and \$714,059 for the wastewater system. Among the upgrades reflected in this request are SCADA improvements, construction of the two abovementioned water wells shared with the Waikoloa Resort system, improvements to a third water well and electrical building shared with the Resort system, wastewater piping repairs, construction of the wastewater treatment plant (K-plant), and purchase of a jetting/vacuum truck.

“We are committed to ensuring our Waikoloa customers continue to have high-quality, reliable water, wastewater, and irrigation service that meets all standards, and we have made significant improvements in the systems to keep our customers and environment safe,” said Martin A. Kropelnicki, President and CEO of Hawaii Water Service. “At the same time, we work hard to keep costs down, so that we can deliver on our promise to provide quality, service, and value to our customers.”

The HPUC will thoroughly review Hawaii Water’s operations, finances, service, and capital improvements before approving any change in rates. No change is expected to become effective until the fourth quarter of 2018.

To help the community learn more about the filing, infrastructure improvements, benefits, and impact, Hawaii Water will host an open house for customers in February.

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.*