

May 28, 2014



# Hawaii Water Service Company Receives Approval to Increase Rates for Waikoloa Resort Utilities

WAIKOLOA, HI -- (Marketwired) -- 05/28/14 -- On May 23, 2014, the Hawaii Public Utilities Commission approved a rate increase for Hawaii Water Service Company's Waikoloa Resort Utilities operations. In its Decision and Order No. 32107, the Commission approved an increase in revenue of \$1,953,396, or approximately 28.2%, to be phased in over two years.

Waikoloa Resort Utilities provides potable water service, wastewater collection and treatment service, and water irrigation service to homes, condominiums, hotels, commercial establishments, and golf courses located at the Waikoloa Beach Resort on Big Island. The increase will allow the Company to recover costs for infrastructure improvements made to the system, including a new water storage tank, a new potable water well, replacement of a sewer pump station, replacement and expansion of a wastewater treatment plant, and land for that treatment plant.

The Commission's approval was based, in part, on Hawaii Water Service Company's settlement agreement reached with the State of Hawaii Consumer Advocate's office. Under the Commission's rules, the Company and the Consumer Advocate have until June 4 to object to any portion of the Decision and Order. The Company and the Consumer Advocate also have until June 16 to recalculate and re-file their agreed-upon rates and charges for Commission review and approval. New rates will not go into effect until the Commission has approved the revised rates and charges.

"We appreciate the Hawaii Public Utilities Commission issuing its Decision and Order, after this thorough review process," said Martin A. Kropelnicki, President and CEO of Hawaii Water Service Company. "We have made significant investments in upgrading the water and wastewater systems for the Waikoloa Beach Resort. These new facilities will help ensure that we are able to fulfill the needs of our customers while continuing to meet all water quality standards and protecting the environment."

The Decision and Order also allows for the entire cost of power charged to a customer in each bill to be separately identified from all other charges. The company believes that this is important given the high cost of power in Hawaii and the overall impact to a customer's bill.

Hawaii Water Service Company provides water and wastewater service to many communities located on Maui and Big Island of Hawaii. Hawaii Water Service Company is a wholly owned subsidiary of California Water Service Group, which also includes California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, CWS Utility Services, and HWS Utility Services. Together, these companies provide regulated and non-regulated water 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 at our web site 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; 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.*