

May 31, 2018



California Water Comments on One-Sided Amendment to SJW/Connecticut Water Merger Agreement

SAN JOSE, Calif.--(BUSINESS WIRE)-- California Water Service Group (NYSE:CWT) today issued the following statement in response to Connecticut Water Service, Inc.'s (NASDAQ: CTWS) amendment to its pending merger agreement with SJW Group (NYSE: SJW):

“Connecticut Water announced this morning a one-sided amendment to its merger agreement with SJW Group that allows it — but not SJW — to conduct a 45-day go shop process, during which Connecticut Water can actively solicit alternative acquisition proposals from third parties.

“We believe this is a clear indication of the lack of stakeholder support for the SJW/Connecticut Water transaction and reflects the entrenchment of the SJW Board. In fact, the announcement comes only hours after California Public Utilities Commission (CPUC) Administrative Law Judge Karl Bemederfer disclosed at a Public Participation Hearing that CPUC’s legal division has decided to review the SJW/Connecticut Water transaction.

“It is time for the SJW Board to acknowledge the untenable uncertainty and risks associated with its transaction with Connecticut Water and engage with us on our \$68.25 per share all-cash proposal. As we have noted previously, our proposal represents a 30% premium to the \$52.41 closing price of SJW on April 3, 2018, the day prior to delivery of our proposal. In addition, our proposal is 10% higher than the high end of the range of implied stand-alone equity values per SJW share resulting from the discount cash flow analysis conducted by SJW's own financial advisor.

“Especially in a so-called ‘merger of equals’, we believe the SJW Board owes its stockholders a clear and candid explanation of why only Connecticut Water shareholders get the benefits of a go-shop period.”

About California Water Service Group

California Water Service Group is the parent company of California Water Service, Washington Water Service, New Mexico Water Service, Hawaii Water Service, 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. California Water Service Group’s common stock trades on the New York Stock Exchange under the symbol “CWT.” Additional information is available online at www.calwatergroup.com.

Important Additional Information

On May 15, 2018, California Water filed a preliminary proxy statement with the Securities and Exchange Commission (the "Preliminary Proxy Statement") to solicit proxies in opposition to resolutions related to the pending merger between SJW Group and Connecticut Water Service, Inc. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PRELIMINARY PROXY STATEMENT, THE DEFINITIVE PROXY STATEMENT TO BE FILED BY CALIFORNIA WATER (WHEN IT IS AVAILABLE), AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. All such documents, if filed, would be available free of charge at the Securities and Exchange Commission's website (www.sec.gov) or by directing a request to Innisfree M&A Incorporated at (888) 750-5834 (banks and brokers call collect at (212) 750-5833).

Participants in the Solicitation

California Water, its directors and certain of its officers and employees may be deemed to be participants in any solicitation of SJW Group stockholders in connection with the proposed transaction between California Water and SJW Group. Information about such participants, and a description of their direct or indirect interests, by security holdings or otherwise, is included in the Preliminary Proxy Statement.