

How do we measure
Success?

California Water Service Group 2012 Annual Report

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California Water Service Group (NYSE: CWT) is the third largest investor-owned water utility in the United States, providing high-quality utility services to approximately two million people in more than 100 communities through six subsidiaries: California Water Service Company (Cal Water), Hawaii Water Service Company, Inc. (Hawaii Water), New Mexico Water Service Company (New Mexico Water), Washington Water Service Company (Washington Water), CWS Utility Services (CWSUS), and HWS Utility Services (HWSUS). Cal Water, Hawaii Water, New Mexico Water, and Washington Water provide regulated water and wastewater utility services, while CWSUS and HWSUS conduct the Company's non-regulated business, which includes providing billing, water quality testing, and water and wastewater system operations and management services to cities and other companies.

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By the Numbers.

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2016+

10 87%
314 20-10 yr
\$2,453

1.18
66,900
2012 %



As your sixth grade math teacher may have told you, numbers are significant. They speak volumes, really.

Think about it... we could publish a 20-pound report about our strong balance sheet, disciplined approach to growth, and efficient operations, or we could tell you that our 20-year total return is 412%. We could fill hundreds of pages describing our encounters with customers, or we could tell you that 95% of them rate us as “excellent,” “very good,” or “good.” We could go on at length about our commitment to being the employer of choice and our pride in having the best people in the industry, or we could tell you that our employee turnover rate is just 5%.

The way we see it, if a picture paints a thousand words, then the right number can too.

380,000+

The number of tests we conduct annually to ensure that our water meets increasingly stringent state and federal quality standards. Most of these tests are conducted in our state-certified water quality laboratory by a team of scientists and chemists with a combined 192 years of analytical experience and 52 years of advanced education.

Our customers rely on us to provide excellent service and high-quality water, 24 hours per day, 7 days per week. And boy, do we deliver.

The number of gallons of water that will be saved annually by our 2012 conservation programs. That's enough water to meet the annual water needs of 8,800 people.


362million

98%

Percentage of time we responded to after-hours emergencies within one hour in 2012. After-hours response times are just one of the key performance measures we track to ensure that we are providing excellent service. We also achieved a first-call satisfaction rate of 92%, which means that 92 out of 100 times, customers were satisfied by the first employee they contacted for service.



When it comes to our customers, the numbers tell the story. The bottom line: We provide a life-sustaining, life-enhancing service to our customers, and we continually seek their feedback to ensure that we are surpassing their expectations.



If you are new to our Company, you may be wondering why stockholders would care about such things as first-call customer satisfaction. Here's why: Well-satisfied, well-informed customers understand the value of the service we provide. They welcome us and appreciate all we do in their communities. They support our efforts to maintain and upgrade our infrastructure. And that's good for customers and stockholders alike.

Above all, our stockholders value consistency. They want to know that they can count on us to deliver steady results. Did we succeed in 2012? Let us count the ways...

412
%

The total return earned by stockholders over the last 20-year period, assuming reinvestment of dividends. This beats the S & P 100's 20-year total return of 385%.

45

Through 2012, the number of consecutive years that the dividend has increased. In 2013, it was raised for the 46th consecutive year.

\$128M

The amount of capital invested in water system infrastructure in 2012. Infrastructure investment benefits customers, because it enables us to meet their needs for an uninterrupted supply of good, clean water. It also benefits shareholders, who earn a return on capital invested in infrastructure.

Let's face it, we're not that exciting; we certainly don't offer investors a roller coaster ride. What we do offer them is the opportunity to be a part of providing an essential resource to our communities. And the opportunity to earn steady, predictable returns.

Continued

52-Week High	Low	Stock
85 1/4	53 1/2	
51 1/4	44 1/2	
98 3/8		

1



The final and most important part of the equation is employees. If we didn't have the best people in the industry, we couldn't provide excellent service to customers or reliable returns to stockholders. That's why we are committed to providing a healthy, rewarding work environment for all 1,131 of our employees.

5%

Our employee turnover rate.

A low turnover rate is a reflection of our efforts to recruit and retain talented professionals who want to spend their careers with us. Our average employee tenure in 2012 was 12.4 years, and our longest-tenured employee currently has 43 years of service.

What does it take to be the employer of choice – competitive salaries, good benefits, and advancement opportunities?

Sure. But it also takes an environment that fosters teamwork and individual achievement while enabling every single employee to contribute to the Company's success.

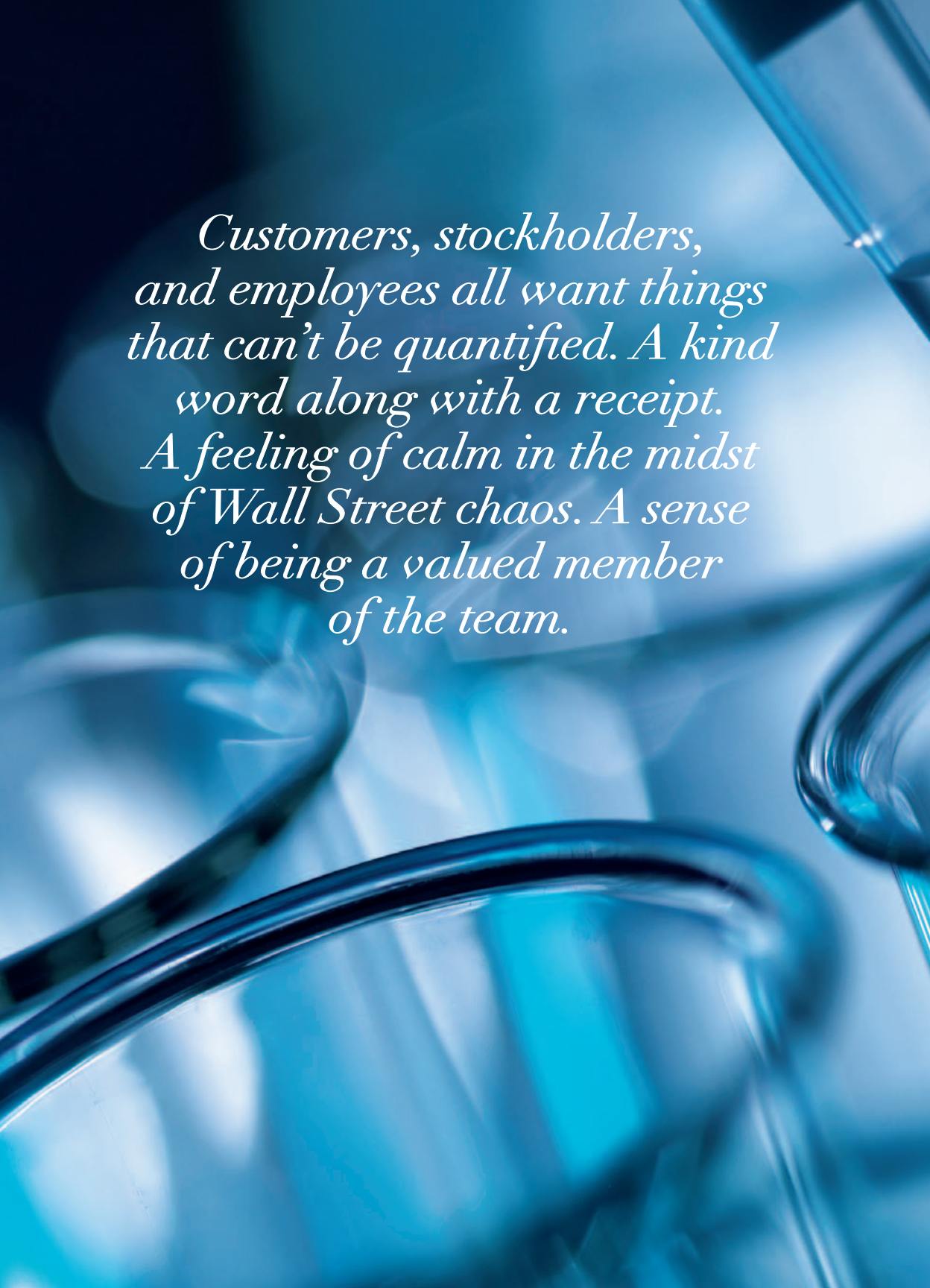
172

The number of Continuous Improvement teams we have throughout the Company, all of which are focused on improving customer service and increasing efficiency. And they deliver results. Recent examples include a team that developed a standardized process for testing flow rates at fire hydrants that will provide more accurate results; another that discovered and tested a new type of chlorination equipment that will reduce maintenance costs at water treatment facilities; and another that invented a tool that increases the safety of employees who investigate the condition of water tank interiors. The Continuous Improvement approach to the business also hones our employees' analytical, public speaking, and collaboration skills.


Where the Bay Area News Group ranked us in its "2012 Top Workplaces" program (among the 4,000 companies considered). The selection of winning companies was based upon surveys about the workplace completed by employees. The surveys were designed to assess "the fundamentals of the company: values, executive leadership, and culture."

Top

75



*Customers, stockholders,
and employees all want things
that can't be quantified. A kind
word along with a receipt.
A feeling of calm in the midst
of Wall Street chaos. A sense
of being a valued member
of the team.*

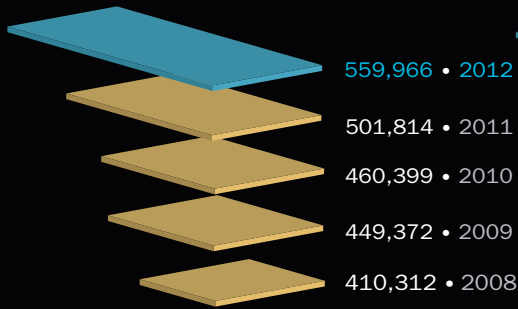


Granted, certain things can't be counted, tallied, or totaled up. But there are numbers that tell us if we're on the right track. It is these numbers we use to measure our success.

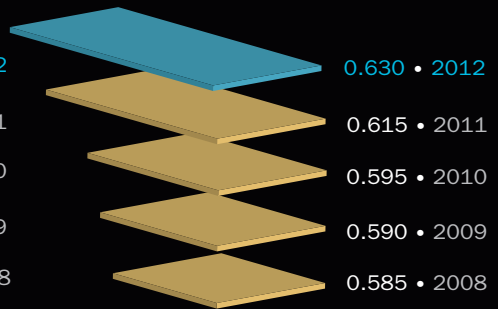
Financial Highlights

<i>Year ended December 31</i>	2012	2011	2010	2009	2008
Market price at year-end	\$ 18.35	\$ 18.26	\$ 18.64	\$ 18.41	\$ 23.22
Book value per share	11.30	10.76	10.45	10.13	9.72
Earnings per share (diluted)	1.17	0.90	0.90	0.98	0.95
Dividend per share	0.630	0.615	0.595	0.590	0.585
Revenue*	559,966	501,814	460,399	449,372	410,312
Net income*	48,828	37,712	37,656	40,554	39,805

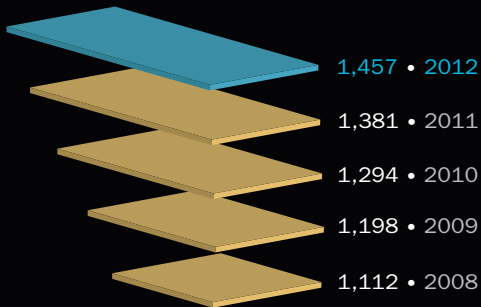
**Dollars in thousands*



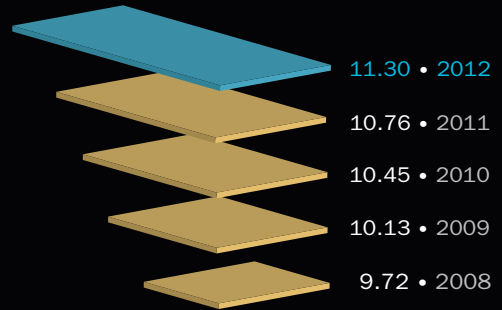
Five-Year Operating Revenue
(Dollars in thousands)



Five-Year Dividend Growth



Five-Year Net Utility Plant
(Dollars in millions)



Five-Year Book Value

To Our Stockholders



The Numbers

By all measures, 2012 was a success for our stockholders.

- Net income increased 29.5% to \$48.8 million.
- Diluted earnings per share increased 29.1% to \$1.17.
- Revenues increased 11.6% to \$560.0 million.
- Net utility plant increased 5.5% to \$1.46 billion.
- The annual dividend increased 2.4% to \$0.63 per share in 2012. This was the 45th consecutive annual increase.

These results were better than we expected, given the fact that 2012 was the second year in our largest subsidiary's three-year rate case cycle. They were positively impacted by our prudent financial management, as increases in wages, health care costs, and post-retirement benefits (other than pensions) were partially offset by decreases in maintenance costs, interest expense, and costs

Peter C. Nelson

Chairman of the Board and Chief Executive Officer

Martin A. Kropelnicki

President and Chief Operating Officer

(right)

for outside services. We also benefitted from a nonrecurring income tax benefit resulting from a change in federal tax rules. (The change required us to deduct for tax purposes significant costs that had previously been capitalized.) And other income was boosted by a mark-to-market accounting adjustment to reflect an increase in the value of long-term assets held by the Company's non-qualified retirement plans.

The California Public Utilities Commission issued two key decisions in 2012. First, in April, the Commission revised its policy that required Water Revenue Adjustment Mechanism (WRAM) balances to be recovered in rates over an extended period of time. This delay in recovery impacted our results in 2011. Going forward, in most cases, we will be able to recover the balances within 18 months. Second, in July, in its "cost of capital" decision, the Commission authorized a return on equity of 9.99%, a cost of debt of 6.24%, and a capital structure of 46.60% long-term debt and 53.40% common equity. The decision also adopted a two-way index mechanism that will further reduce the authorized return on equity to 9.43% for 2013, due to the decline in interest rates.

Also in 2012, Washington Water Service Company (Washington Water) received authorization for a rate increase that adds \$1.6 million to annual revenue, and Hawaii Water Service Company (Hawaii Water)

received approval for a rate increase in its Ka'anapali service area that adds a total of \$1.2 million to annual revenue. And California Water Service Company (Cal Water) received second-year, inflation-type increases in 2012, which added \$8.7 million to annual revenue. Looking ahead, a rate increase in the Pukalani service area that will add nearly \$600,000 to revenue over the next three years is expected to become effective in mid-2013, and three separate rate case filings requesting \$6.3 million in annual revenue increases in the Waikoloa service areas are pending, with decisions expected by the end of 2013.

Even more significantly, Cal Water filed a General Rate Case in July 2012, requesting additional revenue of \$92.7 million in 2014, \$17.2 million in 2015, and \$16.9 million in 2016. After a thorough review, the Commission will determine how much of a revenue increase it deems necessary in order for Cal Water to continue to deliver a reliable supply of high-quality water. New rates are scheduled to become effective in January 2014.

In the General Rate Case filing, Cal Water included projects to mitigate high-priority engineering and operational risks to the business as identified in an in-depth risk-assessment study completed in mid-2012 as part of the Company's Enterprise Risk Management Program. To complete the

assessment, our cross-functional team conducted extensive research; catalogued and categorized all major identified risks; rated risks based upon likelihood, scope, and intensity; and developed plans to mitigate top-rated risks. We expect to make significant progress on this effort in 2013.

Also included in the General Rate Case filing was a total of \$480 million for capital improvement projects, including 20 new storage tanks, 33 tank upgrades, 14 wells, 8 new treatment plants, 5 treatment plant upgrades, and 348,000 feet of new water main.

What the Numbers Mean for Customers

As we developed the 2012 General Rate Case, we were extremely cognizant of the importance of affordability. In addition to proposing only those capital projects we believed to be absolutely necessary, we requested approval to increase discounts provided to qualified customers through our Low-Income Rate Assistance (LIRA) program. We also requested approval to increase discounts to customers in high-cost areas through our Rate Support Fund (RSF) and add Oroville, Lake Hughes, Lancaster, and Leona Valley customers to the RSF program. In 2012, we provided \$5.2 million in water bill discounts through LIRA, and we worked with electric and gas utilities to share customer data to ensure that qualified customers are participating LIRA. We provided \$1.1 million in discounts through the RSF.

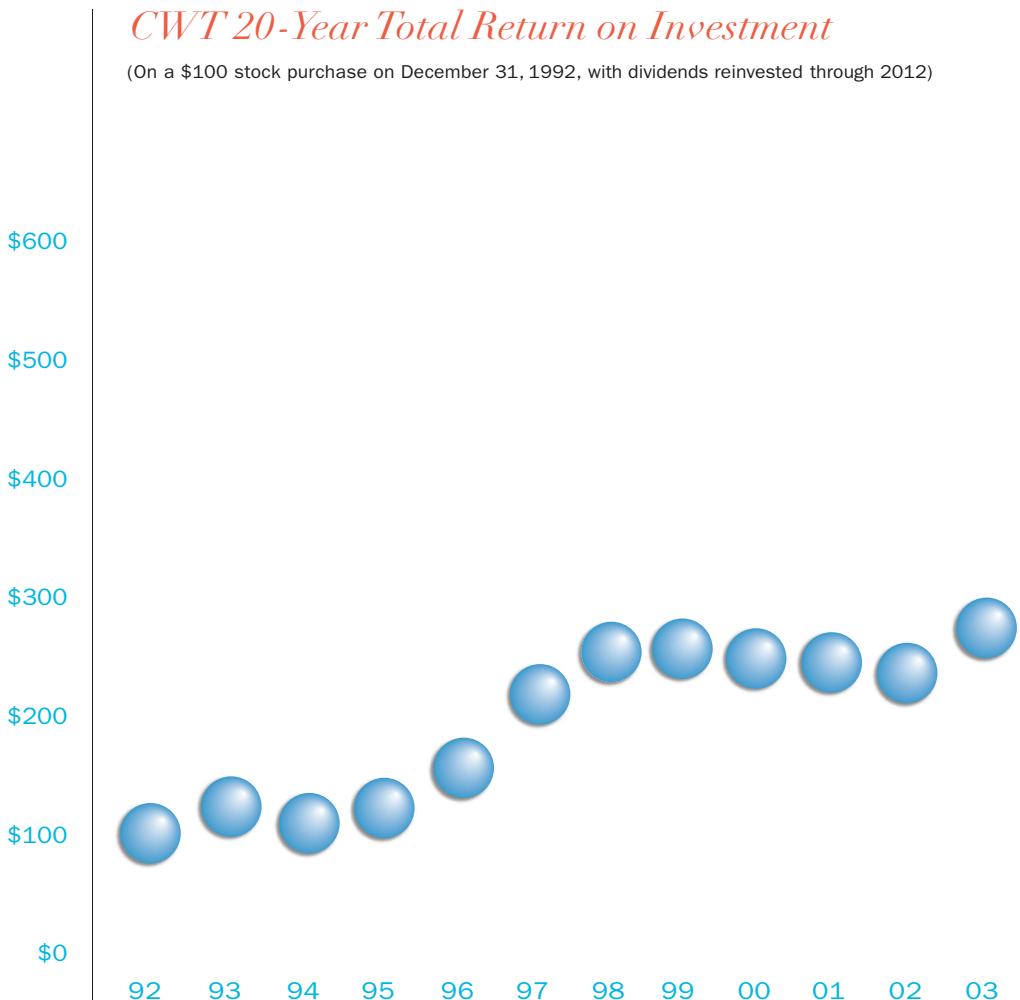
Many factors affect the costs of providing water service, including the source of the water, the number of customers who share the costs of operating the system, the natural quality of the water and treatment that is required, and the age of the water system infrastructure. Most of Cal Water's customers pay less than one penny per gallon; in our lowest-cost district, customers pay just **\$1** for every **3** tons of high-quality water delivered to their taps. (A large truck weighs more than **3** tons.) In the areas where water costs are high, we continue to seek ways to mitigate the impact of water costs on our communities. In the end, concerns about affordability must always be weighed against concerns about supply reliability and water quality.

Water is essential for health and safety, and our customers expect an uninterrupted supply. Our water system upgrade and maintenance initiatives are critical to ensuring that they get it. In **2012**, we added **5** storage tanks with a combined capacity of **5** million gallons, **7** emergency power generators, and **52,000** feet of water main, all of which increase reliability. Two examples of our local efforts to increase water supplies in our communities: We reached an agreement with the City of Stockton and San Joaquin County to increase our surface water supply by **14%**, and we acquired additional property in our Rancho Dominguez District for groundwater wells that will lessen our dependence on expensive, imported surface water supplies.

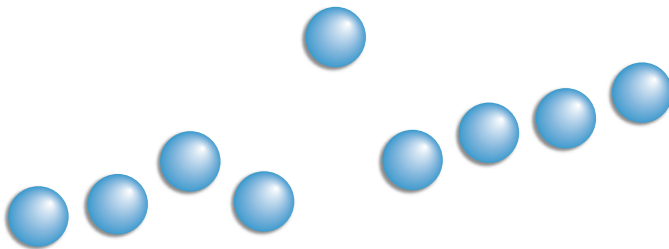
Our Rancho Dominguez District, Engineering, and Water Quality teams also worked together to add additional water quality treatment processes at the City of Hawthorne treatment plant. The more robust treatment plant increases both reliability and affordability by enabling us to use lower-cost, local groundwater supplies.

CWT 20-Year Total Return on Investment

(On a \$100 stock purchase on December 31, 1992, with dividends reinvested through 2012)



Our industry-leading conservation program also increases water supply reliability. In 2012, we offered customers a range of programs, rebates, and services to help them reduce their water usage and increase sustainability of this finite natural resource.



A few highlights:

- We provided **10,300** high-efficiency toilets through our direct installation program, which are expected to save **93,000,000** gallons per year. This innovative program is particularly valuable to customers who cannot afford to purchase the toilet and wait for a rebate.
- We distributed **7,800** conservation kits, which include high-efficiency showerheads and shut-off hose nozzles, for an annual savings of **34,000,000** gallons.
- We gave out **98,500** sprinkler nozzles, which will save approximately **103,000,000** gallons per year.
- And we provided **\$400,000** in rebates for high-efficiency clothes washers, which will conserve **14,000,000** gallons per year.

Water quality is equally important to customers, and we have a rigorous monitoring, testing, and treatment program in place to ensure that we meet every standard, every day, in every system. Our water quality team conducts more than **300,000** tests per year for more than **140** contaminants, using equipment sensitive enough to detect levels as low as one part per trillion. To put that into perspective, one part per trillion is equivalent to three seconds in **100,000** years or one square inch in **250** square miles.

Our approach to water treatment is yet another example of our focus on affordability. For every source that requires treatment, we work diligently to identify the best, most cost-effective treatment methodology. And, to efficiently track water quality trends in our 61 permitted water systems and 1,700 water quality sample points, we enter all data into a software system that enables us to react quickly to water quality changes and plan effectively to meet future requirements.

As outlined in our 2012 Corporate Citizenship Report (www.calwatergroup.com/corporatecitizenship), we are one of two water organizations chosen to collaborate with the American Water Works Association's Water Research Foundation on a study to identify the best approaches and associated costs for removing Chromium 6 from water supplies. This research is helping us get ahead of the curve in meeting an anticipated new standard for the constituent, which the State of California is expected to establish in mid-2013.

Another efficiency-related project we described in our Corporate Citizenship Report is the 100-kilo-watt wind-turbine project on the Big Island of Hawaii that we began in 2012. The environmentally friendly plant will provide energy for a wastewater treatment plant in Waikoloa Village, which is particularly important given the fact that Hawaii has the highest energy costs in the nation.

Along with reliability and quality, our customers expect excellent service. We have several key customer service performance measures that we track on an ongoing basis to ensure that we are surpassing customer expectations. It was our assessment of some of these key performance measures that prompted us to undertake an ambitious service enhancement project, which we began piloting in our Bakersfield District in [2012](#).

The goal of the project is to provide “a new customer experience” through a more transactional web site that posts payments in real time and allows the customer to start and stop service, request due date extensions, make payment arrangements, set notification preferences, and sign up for automatic payment service, [24/7](#), [365](#) days per year. We also added automated phone services, allowing customers to call anytime, day or night, to make real-time payments and retrieve their current balance and last payment. And finally, we added [71](#) new pay stations in Bakersfield to make in-person bill paying more convenient.

Are customers taking advantage of this “new experience”? The numbers speak for themselves: In the first two months that the services were offered, [5,395](#) Bakersfield customers made a one-time payment on the web site, [8,496](#) made payments through the automated phone system, and [4,159](#) used the web site or the automated phone system to make payment arrangements.

These numbers are significant because they make us more efficient and reduce wait times on the phone and in the Customer Center. More importantly, they tell us that customers are getting the service they need when they need it, as evidenced by the growing number of customers who are accessing the web site and the phone system after regular business hours. We will roll these new services out to more California districts in [2013](#).

Speaking of automated phone services, the Emergency Notification application we implemented in [2011](#) won first place in the Management Innovation Awards of the National Association of Water Companies (NAWC) in [2012](#). According to NAWC, the award recognizes “groundbreaking advances in customer education programs, management plans, technological advancements, and community support efforts.” In [2013](#), we plan to expand the capabilities of the system to allow us to send email and text messages as well as automated phone messages to customers, based upon the communications preferences they have set on our new web site.

Making it Add Up for Employees

We would not have our well-earned reputation for service without the dedication of our employees, and we are committed to being the recognized employer of choice in our industry. In addition to providing competitive pay and benefits, including

insurance, pension, and 401(k) savings matching, we have a positive, cooperative relationship with our unions, and in fact have partnered with them on a joint healthy workforce initiative. We also encourage our employees to stay at the top of their profession, and we provide tuition reimbursement and professional development programs to help them do it. We are pleased to report that many of our employees have earned state-certification; 623 are certified in water distribution, 413 are certified in water treatment, and 38 are certified in wastewater treatment.

In 2012, of 4,000 companies considered, Cal Water was named one of the top 75 places to work in the Bay Area. One of the business attributes assessed in the Top Workplace program is “executive leadership,” and we have a uniquely qualified, diverse team of officers at the helm. In September, Pete assumed the role of Chairman and Chief Executive Officer, and Marty was named President and Chief Operating Officer. Thomas F. Smegal III, our Vice President of Regulatory Matters and Corporate Relations, became Vice President, Chief Financial Officer and Treasurer. Earlier in 2012, Helen R. Del Grosso, David R. Karraker, and David B. Healey joined the officer team as Vice President of Human Resources, Vice President of Customer Service and Information Technology, and Corporate Controller, Assistant Secretary and Assistant Treasurer, respectively. And most recently, in February 2013, Paul G. Townsley was named

Vice President, Regulatory Matters and Corporate Relations. Together, our officers have almost 400 years of experience in their respective professions. On a final note, Lead Director Douglas M. Brown will be retiring after 12 years of distinguished service on our Board. The Dean of the University of New Mexico's Anderson School of Business and former Treasurer for the State of New Mexico brought an abundance of expertise and experience to the Company, and we will miss him. We wish Doug and his family all the best as he embarks on a well-deserved retirement from California Water Service Group.

We thank you for your continued investment in the Company, and wish you the best in the coming year.



Peter C. Nelson

Chairman of the Board and
Chief Executive Officer



Martin A. Kropelnicki

President and Chief Operating Officer

In 2012, we delivered more than 116 billion gallons of water weighing nearly 1 trillion pounds to 2 million people through 500,700 service connections in more than 100 communities in 4 states.

But these numbers don't tell the whole story. They don't tell the story of the three employees who provided professional and helpful service to the self-described "old lady" who had difficulties having drip irrigation installed at her home. Or the employee who went out of his way to help a customer whose dog was hit by a car. Or the employees who showed compassion to a customer who struggled to pay water bills because her husband was out of work. Or the employees who worked hard to keep an entire community's water flowing after a lengthy storm that caused a six-day power outage. And these are just a few of the many stories we heard from customers in 2012.

Numbers matter, because they enable us to measure how we're doing. But the people we serve will always be more than just a number to us... all 2 million of them.

Hawaii Operations/Customer Centers

(Maui) Ka'anapali • (Hawaii) Waikoloa

Serving the communities of Ka'anapali, Pukalani, Waikoloa, North Kona Coast, and Kohala Coast on the islands of Maui and Hawaii.

Regulated Customer Connections

4,200* • 2011

4,200* • 2012

** Includes several large resorts and condominium complexes*



Washington Operations/Customer Centers

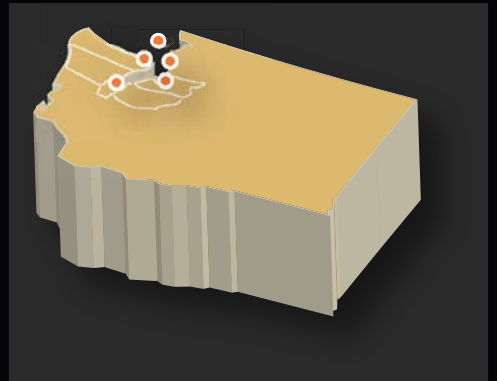
Olympia (S.W. Regional Office) •
Gig Harbor (N.W. Regional Office and
Customer Center) • Sequim • Issaquah •
Orcas Island (Field Offices)

Serving more than 425 neighborhoods in the counties of Clallam, Jefferson, Kitsap, Mason, Pierce, King, San Juan, and Thurston.

Regulated Customer Connections

15,700 • 2011

15,800 • 2012



California Districts

Antelope Valley • Bakersfield • Bayshore • Bear Gulch • Chico • Commerce • Dixon • Dominguez • East Los Angeles • Hawthorne • Hermosa-Redondo • Kern River Valley • King City • Livermore • Los Altos • Marysville • Oroville • Palos Verdes • Redwood Valley • Salinas • Selma • Stockton • Visalia • Westlake • Willows

Customer Connections*

471,900 • 2011

473,100 • 2012

* Numbers include Hawthorne and Commerce lease agreements



New Mexico Operations /Customer Centers

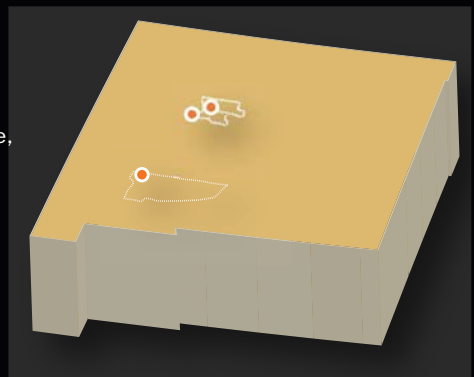
Elephant Butte • Belen • Cedar Crest

Serving the communities of Meadow Lake, Cypress Gardens, Rio Communities, Rio Del Oro, Elephant Butte, and Sandia Knolls in the counties of Valencia, Sierra, and Bernalillo.

Regulated Customer Connections

7,700 • 2011

7,600 • 2012



California Districts & Communities

	2012	2011
Antelope Valley • Fremont Valley, Lake Hughes, Lancaster & Leona Valley	1,400	1,400
Bakersfield	69,100	68,500
Bayshore • South San Francisco, Colma, Broadmoor, San Mateo & San Carlos	53,200	53,300
Bear Gulch • Atherton, Woodside, Portola Valley & a portion of Menlo Park	18,800	18,800
Chico • Hamilton City	28,100	28,000
Commerce (lease agreement)	1,200	1,200
Dixon	2,900	2,900
Dominguez • Carson & portions of Compton, Harbor City, Long Beach, Los Angeles County & Torrance	33,900	33,800
East Los Angeles • Portions of Montebello, Commerce, Monterey Park & Vernon	26,700	26,700
Hawthorne (lease agreement)	6,200	6,200
Hermosa-Redondo • Hermosa Beach, Redondo Beach & a portion of Torrance	26,700	26,600
Kern River Valley • Bodfish, Kernville, Lakeland, Mountain Shadows, Onyx, Squirrel Valley, South Lake & Wofford Heights	4,200	4,200
King City	2,500	2,600
Livermore	18,800	18,300
Los Altos • Portions of Cupertino, Los Altos Hills, Mountain View & Sunnyvale	18,400	18,800
Marysville	3,700	3,700
Oroville	3,500	3,600
Palos Verdes • Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills & Rolling Hills Estates	24,100	24,100
Redwood Valley • Lucerne & portions of Duncans Mills, Guerneville, Dillon Beach, Noel Heights & Santa Rosa	1,900	1,900
Salinas	28,300	28,200
Selma	6,200	6,100
Stockton	42,700	42,800
Visalia	41,200	40,700
Westlake • Westlake Village & a portion of Thousand Oaks	7,000	7,100
Willows	2,400	2,400

Eight-Year Financial Review

(Dollars in thousands, except common share and other data)

2012

2011

Summary of Operations

Operating revenue	\$559,966	\$501,814
Operating expenses	486,123	434,647
Interest expense, other income and expenses, net	25,015	29,455
Net income	\$48,828	\$37,712

Common Share Data

Earnings per share-diluted	\$1.17	\$0.90
Dividend declared	0.630	0.615
Dividend payout ratio	54%	68%
Book value	\$11.30	\$10.76
Market price at year-end	18.35	18.26
Common shares outstanding at year-end (in thousands)	41,908	41,817
Return on average common stockholders' equity	10.6%	8.5%
Long-term debt interest coverage	3.45	3.11

Balance Sheet Data

Net utility plant	\$1,457,056	\$1,381,119
Total assets	1,995,924	1,854,587
Long-term debt, including current portion	481,250	488,165
Capitalization ratios:		
Common stockholders' equity	49.6%	48.0%
Preferred stock	0.0%	0.0%
Long-term debt	50.4%	52.0%

Other Data

Water production (million gallons)	125,892	120,353
Customers at year-end, including Hawthorne and Commerce	500,700	499,500
New customers added	1,200	1,600
Revenue per customer	\$1,118	\$1,005
Utility plant per customer	4,187	3,925
Employees at year-end	1,131	1,132

2010	2009	2008	2007	2006	2005
\$460,399	\$449,372	\$410,312	\$367,082	\$334,717	\$320,728
398,586	391,253	352,843	322,912	294,411	278,903
24,157	17,565	17,664	13,011	14,726	14,602
\$37,656	\$40,554	\$39,805	\$31,159	\$25,580	\$27,223
\$0.90	\$0.98	\$0.95	\$0.75	\$0.67	\$0.74
0.595	0.590	0.585	0.580	0.575	0.570
66%	61%	62%	77%	86%	78%
\$10.45	\$ 10.13	\$ 9.72	\$ 9.33	\$ 9.16	\$ 7.99
18.64	18.41	23.22	18.51	20.20	19.11
41,667	41,531	41,446	41,332	41,314	36,780
9.0%	9.8%	10.2%	8.1%	8.2%	9.3%
3.59	4.04	4.72	3.70	3.17	3.61
\$1,294,297	\$1,198,077	\$1,112,367	\$1,010,196	\$941,475	\$862,731
1,692,066	1,525,581	1,418,107	1,184,499	1,165,019	996,945
481,561	387,222	290,316	291,921	293,592	275,275
47.5%	52.1%	58.1%	56.9%	56.0%	51.4%
0.0%	0.0%	0.0%	0.5%	0.5%	0.6%
52.5%	47.9%	41.9%	42.6%	43.5%	48.0%
121,942	131,558	137,757	141,238	132,414	129,453
497,900	494,700	490,493	487,555	483,893	479,001
3,200	4,207	2,938	3,662	4,892	5,846
\$925	\$908	\$837	\$753	\$692	\$670
3,706	3,455	3,228	2,968	2,778	2,578
1,127	1,013	929	891	869	840

Board of Directors



Peter C. Nelson
Chairman of the Board
and Chief Executive Officer

17 years served as a Board
Member. Member of the
Executive Committee.

Douglas M. Brown
Dean, Anderson School of
Management, University
of New Mexico

12 years served as a Board
Member. Member of the
following Committees:
Organization/Compensation,
Audit, Executive,
Finance/Risk Management.

Linda R. Meier
Member of the National Board
of the Institute of International
Education

19 years served as a Board
Member. Member of the following
Committees: Audit, Executive,
Organization/Compensation,
and Nominating/Corporate
Governance.

Bonnie G. Hill
President of
B. Hill Enterprises, L.L.C.

10 years served as a Board
Member. Member of the following
Committees: Organization/
Compensation and Nominating/
Corporate Governance.

Richard P. Magnuson
Private Venture
Capital Investor

17 years served as a Board
Member. Member of the following
Committees: Audit, Organization/
Compensation, Executive,
Finance/Risk Management,
and Nominating/Corporate
Governance.

Lester A. Snow
Former Director of the
California Department of
Water Resources

2 years served as a Board
Member. Member of the following
Committees: Finance/Risk
Management and Nominating/
Corporate Governance.

George A. Vera
Former Vice President and
Chief Financial Officer,
the David and Lucile Packard
Foundation

15 years served as a Board
Member. Member of the following
Committees: Audit, Finance/Risk
Management, and Nominating/
Corporate Governance.

Thomas M. Krummel, M.D.
Professor and Chair, Surgery
Department, Stanford University
School of Medicine

3 years served as a Board
Member. Member of the
following Committees:
Nominating/Corporate
Governance and Organization/
Compensation.

Edwin A. Guiles
Former Executive Vice President
of Corporate Development,
Sempra Energy

5 years served as a Board
Member. Member of the following
Committees: Organization/
Compensation, Finance/Risk
Management, and Audit.

Officers

California Water Service Company

Peter C. Nelson 1, 2, 3
Chairman of the Board
and Chief Executive Officer

Helen R. Del Grosso
Vice President, Human Resources

Francis S. Ferraro 2, 4
Vice President, Corporate Development

Robert R. Guzzetta 2
Vice President, Operations

David B. Healey 1, 2, 3
Controller, Assistant Secretary
and Assistant Treasurer

David R. Karraker
Vice President, Customer Service
and Information Technology

Martin A. Kropelnicki 1, 2, 3
President and Chief Operating Officer

Christine L. McFarlane 3
Vice President,
Chief Administrative Officer

Lynne P. McGhee 1, 2, 3
Corporate Secretary

Michael J. Rossi 2, 3
Vice President, Engineering
and Water Quality

Thomas F. Smegal III 1, 2, 3
Vice President, Chief Financial Officer
and Treasurer

Paul G. Townsley 4
Vice President, Regulatory Matters
and Corporate Relations

1 Holds the same position with California Water Service Group.

2 Also an officer of CWS Utility Services.

3 Also an officer of Washington Water Service Company, New Mexico Water Service Company, and Hawaii Water Service Company, Inc.

4 Holds the same position with New Mexico Water Service Company and Hawaii Water Service Company, Inc.

Washington Water Service Company

Michael P. Ireland
President

Stock Transfer, Dividend Disbursing, and Reinvestment Agent

American Stock Transfer & Trust Company

6201 15th Avenue

Brooklyn, NY 11219

(800) 937-5449

To Transfer Stock

A change of ownership of shares (such as when stock is sold or gifted or when owners are deleted from or added to stock certificates) requires a transfer of stock. To transfer stock, the owner must complete the assignment on the back of the certificate and sign it exactly as his or her name appears on the front. This signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in approved signature medallion programs) pursuant to SEC Rule 17Ad-15. A notary's acknowledgement is not acceptable. This certificate should then be sent to American Stock Transfer & Trust Company, by registered or certified mail with complete transfer instructions. Alternatively, the Direct Registration System can be utilized, which allows electronic share transactions between your broker or dealer and American Stock Transfer & Trust Company.

Bond Registrar

US Bank Trust, N.A.

One California Street

San Francisco, CA 94111-5402

(415) 273-4580

Annual Meeting

The Annual Meeting of Stockholders will be held on Tuesday, May 21, 2013, at 9:30 a.m. at the Company's Executive Office, located at 1720 North First Street in San Jose, California. Details of the business to be transacted during the meeting will be contained in the proxy material, which will be mailed to stockholders on or about April 12, 2013.

Anticipated Dividend Dates For 2013

Quarter	Declaration	Record Date	Payment Date
First	January 30	February 11	February 22
Second	April 24	May 6	May 17
Third	July 31	August 12	August 23
Fourth	October 30	November 12	November 25

Annual Report For 2012 On Form 10-K

A copy of the Company's report for 2012 filed with the Securities and Exchange Commission (SEC) on Form 10-K will be available in April 2013 and can be obtained by any stockholder at no charge upon written request to the address below. The Company's filings with the SEC can be viewed via the link to the SEC's EDGAR system on the Company's web site.

Executive Office and Stockholder Information

California Water Service Group

Attn: Stockholder Relations

1720 North First Street

San Jose, CA 95112-4598

(408) 367-8200 or (800) 750-8200

<http://www.calwatergroup.com>



California Water Service Group

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NYSE: CWT