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CALIFORNIA WATER SERVICE GROUP

Form 8-K

October 27, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): October 26, 2005

CALIFORNIA WATER SERVICE GROUP

(Exact name of registrant as specified in its charter)

Delaware	1-13883	77-0448994
-----	-----	-----
(State or other jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
1720 North First Street, San Jose, CA.		95112
-----	-----	-----
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code		1-408-367-8200

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR Exchange 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the

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Act (17 CFR 240.14d-2(b))

[] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 26, 2005, the registrant issued the press release attached to this report as Exhibit 99, which announces the results of operations for the third quarter of 2005.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

The list of exhibits called for by this Item is incorporated by reference to the exhibit index to this report.

SIGNATURES

Pursuant to the requirement of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CALIFORNIA WATER SERVICE GROUP
(Registrant)

Date: October 26, 2005

By: /s/ John S. Tootle

John S. Tootle
Acting Vice President,
Chief Financial Officer
and Treasurer

Exhibit Index

Exhibit No. -----	Description -----
99	Press release of the registrant dated October 26, 2005 which announces the results of operations for the third quarter of 2005.

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[GRAPHIC OMITTED]

NEWS RELEASE

CALIFORNIA WATER SERVICE GROUP

[OBJECT OMITTED]

1720 North First Street
San Jose, CA 95112-4598

October 26, 2005
For Immediate Release

Contact: John S. Tootle (408) 367-8216 (analysts)
Shannon Dean (310) 257-1435 (media)

CAL WATER ANNOUNCES THIRD QUARTER 2005 RESULTS;
BOARD DECLARES 244TH CONSECUTIVE QUARTERLY DIVIDEND

SAN JOSE, CA - California Water Service Group (NYSE : CWT) today announced net income of \$13.1 million and diluted earnings of \$0.71 per share for the third quarter of 2005, compared to net income of \$10.8 million and diluted earnings of \$0.59 per share in the third quarter of 2004.

Revenue for the third quarter increased 4%, or \$4.0 million, to \$101.1 million. Rate increases added \$4.4 million to revenue, while sales to new customers added \$1.2 million. Partially offsetting these higher revenues was a \$1.6 million decrease due to reduced usage by existing customers compared to the same period last year.

Total operating expenses for the third quarter increased 3%, or \$2.4 million. Water production costs decreased by 2%, or \$0.8 million, due to lower customer water usage and power costs. Other operations expenses were unchanged from the same period last year, and income taxes increased \$1.9 million or 27% due to higher pre-tax earnings. Maintenance expense increased by 7%, or \$0.2 million, as the Company made necessary repairs and upgrades to pumping equipment and water mains. Depreciation expense increased 12%, or \$0.8 million, due to higher 2004 capital expenditures.

Third quarter 2005 earnings were enhanced by a \$0.8 million increase in other income, primarily due to an increase of \$0.7 million for sales of property no longer used and useful in serving customers.

"We are pleased with our results for the quarter, although our sales continue to be impacted by reduced customer usage in some of our operating areas. By pursuing reasonable rate relief, holding the line on expenses, and continuing to execute our strategic real estate sales program, we were able to deliver good results," said President and Chief Executive Officer Peter C. Nelson.

At its meeting today, the Company's Board of Directors declared the 244th consecutive dividend in the amount of \$0.2850 per share of common stock, to be paid on November 18, 2005, to stockholders of record on November 7, 2005. The regular dividend on Series C preferred stock was also declared.

Investors are invited to listen to the Company's analyst teleconference, which is scheduled for 4:00 p.m. EDT / 1:00 p.m. PDT on October 27, 2005. The call-in number is 1-866-243-8959 and the ID No. is 789267. A replay is available through December 26, 2005, by calling 1-888-266-2081 and entering pass code 789267.

California Water Service Group is the parent company of California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, Hawaii Water Service Company, Inc., and CWS Utility Services. Together

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these companies provide regulated and non-regulated water service to more than 2 million people in 100 California, Washington, New Mexico, and Hawaii communities. Group's common 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: governmental and regulatory commissions' decisions, including decisions on proper disposition of property; changes in regulatory commissions' policies and procedures; the timeliness of regulatory commissions' actions concerning rate relief; new legislation; the ability to satisfy requirements related to the Sarbanes-Oxley Act and other regulations on internal controls; 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. The Company assumes no obligation to provide public updates of forward-looking statements.

Additional information is available online at www.calwatergroup.com.

Attachments (2).

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CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

Unaudited

September 30,
2005

Dec

ASSETS
Utility plant:

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Utility plant	\$ 1,199,681	\$ 1
Less accumulated depreciation and amortization	366,019	---
	-----	-----
	833,662	---
	-----	-----
Current assets:		
Cash and cash equivalents	23,791	
Receivables, net of allowances for uncollectible accounts of \$416 at September 30, 2005 and \$ 287 at December 31, 2004		
Customers	22,779	
Income taxes	--	
Other	3,865	
Unbilled revenue	14,271	
Materials and supplies, at average cost	4,017	
Prepaid pension expense	2,599	
Taxes and other prepaid expenses	4,055	
	-----	-----
Total current assets	75,377	---
	-----	-----
Regulatory assets	55,449	
Other assets	20,329	
	-----	-----
	\$ 984,817	\$
	=====	=====
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, \$.01 par value	\$ 184	\$
Additional paid-in capital	131,991	
Retained earnings	162,410	
Accumulated other comprehensive loss	(701)	
	-----	-----
Total common stockholders' equity	293,884	
Preferred stock	3,475	
Long-term debt, less current maturities	274,361	
	-----	-----
Total capitalization	571,720	---
	-----	-----
Current liabilities:		
Current maturities of long-term debt	1,144	
Accounts payable	29,541	
Accrued expenses and other liabilities	51,440	
	-----	-----
Total current liabilities	82,125	---
	-----	-----
Unamortized investment tax credits	2,721	
Deferred income taxes	56,741	
Regulatory and other liabilities	36,328	
Advances for construction	139,298	
Contributions in aid of construction	95,884	
Commitments and contingencies	--	
	-----	-----
	\$ 984,817	\$
	=====	=====

CALIFORNIA WATER SERVICE GROUP

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
Unaudited

	For the three months ended:	
	September 30, 2005 ----	September 30, 2004 ----
Operating revenue	\$101,128	\$ 97,104
	-----	-----
Operating expenses:		
Water production costs	39,205	40,052
Other operations	22,307	22,404
Maintenance	3,877	3,640
Depreciation and amortization	7,287	6,518
Income taxes	8,968	7,050
Property and other taxes	3,381	2,942
	-----	-----
Total operating expenses	85,025	82,606
	-----	-----
Net operating income	16,103	14,498
	-----	-----
Other income and expenses:		
Non-regulated income, net	778	650
Gain on sale of non-utility property	669	6
	-----	-----
Total other income and expenses	1,447	656
	-----	-----
Interest expense:		
Interest expense	4,660	4,615
Less capitalized interest	225	250
	-----	-----
Total interest expense	4,435	4,365
	-----	-----
Net income	\$ 13,115	\$ 10,789
	=====	=====
Earnings per share		
Basic	\$ 0.71	\$ 0.59
	=====	=====
Diluted	\$ 0.71	\$ 0.59
	=====	=====
Weighted average shares outstanding		
Basic	18,384	18,345
	=====	=====
Diluted	18,422	18,362
	=====	=====
Dividends per share of common stock	\$ 0.2850	\$ 0.2825
	=====	=====