

**CALIFORNIA-AMERICAN WATER COMPANY
CALIFORNIA WATER SERVICE COMPANY
GOLDEN STATE WATER COMPANY
SAN JOSE WATER COMPANY**

February 19, 2014

VIA ELECTRONIC MAIL

Mr. Paul Clanon, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Joint Request for Postponement of 2014 Cost of Capital Filings

Dear Mr. Clanon:

We are in receipt of your letter dated February 12, 2014 granting the request for a one-year delay to March 31, 2015 for filing the next Cost of Capital proceeding subject to two conditions.

In response to your letter, our four companies agree to postpone adjustments to the Water Cost of Capital Mechanism for one year (condition number 1 of your letter). We also have agreement of the other Class A water utilities to the condition that applies to them; to extend their current cost of capital cycle by postponing their 2015 Cost of Capital filing for one year (condition number 2 of your letter).

Very truly yours,

/s/
Jeffrey Linam, Vice President of Finance
California-American Water Company
1033 B Avenue, Suite 200
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619-522-6360

/s/
Keith Switzer, Vice President of Regulatory
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/s/
Paul Townsley, Vice President of Regulatory
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/s/
Palle Jensen, Senior Vice President of
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