



Eric W. Thornburg
President & CEO – SJW Group

**Opening Statement
Connecticut Public Utility Regulatory Authority – August 15, 2018**

Chair Dykes,
Vice Chairman Betkoski,
Team members of the Connecticut Public Utility Regulatory Authority and Office of Consumer Counsel, Attorneys General office,

It is my honor to lead SJW Group, a company that has served the City of San Jose and the Silicon Valley for over 150 years and in the state of Texas for over 11 years.

It is a privilege to be here today to share our vision for what would become the third largest publicly traded water utility in the United States.

For over 35 years, I have proudly served high quality drinking water to families and communities across seven states. Pennsylvania, Indiana, Missouri, California, Texas, and of course Connecticut and Maine where I served for over 11 years as the President and CEO of Connecticut Water.

My working life in water has taught me many lessons. Chief among them is that water is a local service. It's Naugatuck, Avon, Windsor Locks, Killingly, and Clinton. You have to get that right. We understand that. It's an incredibly rewarding line of work when you do.

And equally important is the power of scale. Joining individual water systems together not by pipe, but by people, and organization is like a series of pulleys...making what would be a near impossible lift not just possible, but powerful.

Our proposed merger will be built on those two fundamental principles – Local Service & National Scale.

We will remain locally focused. Local Connecticut Water employees with local expertise serving their local customers. Connecticut Water's leaders – David, Maureen, Craig, Bob and Kristen – making the decisions, understanding the goals of their local communities and able to make the commitments necessary to serve Connecticut Water customers and remain leaders of the industry here.

Our New England Headquarters in Connecticut. No name change...it's Connecticut Water.
No layoffs planned across the combined company, none.
No compensation changes.
No negative impact on rates.

This combination will enable us to continue to invest in local infrastructure, deliver world class customer service, enhance opportunities for employees across the organization and be engaged with and give back to the local communities in which we operate, all while maintaining our A-category investment credit rating. And we also will honor the considerable list of commitments well stated in Maureen Westbrook's testimony.

And now Connecticut Water customers, employees and communities will have the scale of a national water utility behind them. When we buy pipe, we buy not just 16 miles of it, but 40. Not just 5,000 meters per year but 15,000. Insurance, audit fees, board fees, cost of capital, IT hardware and applications, water treatment chemicals, employee development, engineering. Scale can deliver real value for customers, communities, employees, shareholders and the environment. And our scale is 100% about being a pure-play water utility. Water and waste water services is all we do. Public health, public safety, environmental stewardship...that will remain our focus.

That scale transcends adjacency. We don't have to have states adjacent to one another in order to leverage our scale. In fact, that geographic diversity is a strength.

You know when I started my career in 1982, Aqua America was Philadelphia Suburban Water. Not just a single state utility but a single water system. They now serve eight states and are widely viewed as a premier water utility with an outstanding cost structure. Their headquarters is in Pennsylvania with their western-most utility located in Texas serving around 50,000 customers. American Water has similarly grown over the years. They are headquartered in New Jersey with a large operating subsidiary in California.

Geographic diversification hedges against many risks. Weather and storms and economic conditions. We get those benefits and hedge against the risks without any negative impact on employees or customers. No disruptions, no name changes, same great people.

Critically, the needs of our water systems will not be competing for capital, resources, focus or subject to changes in strategic intent within our new company. We are now and will always be purely about water. Locally focused and locally served with national scale.

It works. I've done it successfully before. Linked by talented people, a strong common culture and best-in-class water systems – I am confident that Connecticut Water and SJW Group have a bright future together, which in turn will beneficially serve the people of Connecticut.

I look forward to sharing with you our vision for this exciting future and will value your input and thoughts in how we can best serve the people of Connecticut.

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Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “strategy,” or “anticipates,” or the negative of those words or other comparable terminology.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the risk that the conditions to the closing of the proposed transaction between SJW Group and Connecticut Water may not be satisfied or waived, including the risk that required approvals from the security holders of Connecticut Water to the proposed transaction are not obtained; (2) the risk that the regulatory approvals required for the proposed transaction are not obtained, or that in order to obtain such regulatory approvals, conditions are imposed that adversely affect the anticipated benefits from the proposed transaction or cause the parties to abandon the proposed transaction; (3) the effect of water, utility, environmental and other governmental policies and regulations; (4) litigation relating to the proposed transaction; (5) uncertainties as to the timing of the consummation of the proposed transaction and the ability of each party to consummate the proposed transaction; (6) risks that the proposed transaction disrupts the current plans and operations of SJW Group or Connecticut Water; (7) the ability of SJW Group and Connecticut Water to retain and hire key personnel; (8) competitive responses to the proposed transaction; (9) unexpected costs, charges or expenses resulting from the proposed transaction, including, without limitation, related to SJW Group’s financing plans in connection with the proposed transaction; (10) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (11) the combined company’s ability to achieve the growth prospects and synergies expected from the proposed transaction, as well as delays, challenges and expenses associated with integrating SJW Group’s and Connecticut Water’s existing businesses; and (12) legislative and economic developments. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in the proxy statement filed by Connecticut Water in connection with the proposed transaction, and are more fully discussed in SJW Group’s quarterly report on Form 10-Q for the period ended June 30, 2018 filed with the U.S. Securities and Exchange Commission (the “SEC”) on July 27, 2018 and Connecticut Water’s quarterly report on Form 10-Q for the period ended June 30, 2018 filed with the SEC on August 9, 2018.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to SJW Group’s overall business, including those more fully described in its filings with the SEC including, without limitation, its annual report on Form 10-K for the fiscal year ended December 31, 2017 and its quarterly report on Form 10-Q for the period ended June 30, 2018 and Connecticut Water’s overall business and financial condition, including those more fully described in its filings with the SEC including its annual report on Form 10-K for the fiscal year ended December 31, 2017 and its quarterly report on Form 10-Q for the period ended June 30, 2018. Forward looking statements are not guarantees of performance, and speak only as of the date made, and none of SJW Group, its management, Connecticut Water or its management undertakes any obligation to update or revise any forward-looking statements except as required by law.

IMPORTANT INFORMATION FOR INVESTORS AND SHAREHOLDERS

In response to the tender offer for all the outstanding shares of common stock of SJW Group commenced by California Water Service Group (“California Water”) through its wholly owned subsidiary, Waltz Acquisition Sub, Inc., SJW Group has filed a solicitation/recommendation statement on Schedule 14D-9 with the SEC on June 15, 2018, as amended by that Amendment No. 1 to Schedule 14D-9 filed with the SEC on June 26, 2018 and that Amendment No. 2 to Schedule 14D-9 filed with the SEC on August 9, 2018. Investors and stockholders of SJW Group are urged to read the solicitation/recommendation statement on Schedule 14D-9 and other documents that are filed or will be filed with the SEC carefully and in their entirety because they contain important information. Investors and stockholders of SJW Group may obtain a copy of these documents free of charge at the SEC’s website at www.sec.gov. These materials are also available free of charge at SJW Group’s investor relations website at https://sjwgroup.com/investor_relations. In addition, copies of these materials may be requested free of charge from SJW Group’s information agent, Georgeson LLC, toll-free at (866) 357-4029.