



110 W. Taylor Street
San Jose, CA 95110-2131

VIA ELECTRONIC MAIL

October 7, 2019

Alice Stebbins
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Affiliate Transaction Notification

Dear Ms. Stebbins:

This letter is submitted to you in compliance with the California Public Utilities Commission (“CPUC”) Decision 11-10-034, Rule VIII.D, which requires any Class A Water Company, upon the creation of a new affiliate, to notify the Commission of its creation, as well as posting notice of this event on its web site. This letter provides that required notice to the Commission.

On October 4, 2019 SJW Group, the parent company of San Jose Water Company, formed SJWNE LLC (“SJWNE”) which became SJW Group’s subsidiary on October 4, 2019. SJWNE, a Delaware limited liability company, was formed in connection with certain regulatory commitments (the “Commitments”) made in connection with the proposed all-cash merger transaction between SJW Group and Connecticut Water Service, Inc. (“CTWS”), pursuant to the Second Amended and Restated Agreement and Plan of Merger, dated as of August 5, 2018, among SJW Group, Hydro Sub, Inc. (“Hydro Sub”) and CTWS (the “Merger Agreement”).

SJWNE’s formation was separate from the formation of Hydro Sub, which became SJW’s subsidiary on March 13, 2018, in connection with an earlier version of the Merger Agreement. In accordance with the Commitments, SJWNE, as a direct wholly owned subsidiary of SJW, will hold Hydro Sub, which will merge with and into CTWS, with CTWS surviving such merger as a direct wholly owned subsidiary of SJWNE.

Ms. Alice Stebbins
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If you have any questions about this matter please do not hesitate to contact me
at 408.279.7933 or at john.tang@sjwater.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "John B. Tang".

John B. Tang, P.E.
Vice President of Regulatory Affairs