Schedule SJ-2

SAN JOSE HILLS SERVICE AREA

NON RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of Covina, West Covina, Walnut, La Puente, Glendora, Hacienda Heights and adjacent unincorporated areas in Los Angeles County.

RATES

Quantity Rates:

For all water, per 100 cu. ft.:

| | | |
|---|---|---|
| Tariff Area No. 1 | $ 4.645 | (I) |
| Tariff Area No. 2 | 4.796 | I |
| Tariff Area No. 3 | 4.963 | (I) |

| Service Charge: | Per Meter Per Month | |
|---|---|---|
| For 5/8 x 3/4-inch meter | $ 16.97 | (I) |
| For 3/4-inch meter | 25.47 | I |
| For 1-inch meter | 42.44 | I |
| For 1-1/2-inch meter | 84.88 | I |
| For 2-inch meter | 135.81 | I |
| For 3-inch meter | 254.64 | I |
| For 4-inch meter | 424.39 | I |
| For 6-inch meter | 848.78 | I |
| For 8-inch meter | 1,358.06 | I |
| For 10-inch meter | 1,952.21 | (I) |

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge computed at the Quantity Rates.

(Continued)

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(Continued)

SAN JOSE HILLS SERVICE AREA
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SPECIAL CONDITIONS

1. The boundaries of the Tariff Areas in which the above rates apply are delineated on the Service Area Map for the San Jose Hills Service Area as filed in these tariff schedules.

2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

3. A surcharge of $0.093 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Customer Assistance Program (CAP) credit, in order to support the CAP, commencing on the effective date of Advice Letter 416-W-A. (I) (T) (T)

4. Customer Assistance Program (CAP) Memorandum Account
   a. The Company shall maintain a Customer Assistance Program (CAP) Memorandum Account to record the differences between CAP discounts, program costs, and the revenues generated by the CAP surcharge.
   b. The Company will record the CAP discounts (credits) for service as provided under Schedule No. CAP -1.
   c. The Company will record the CAP surcharge for service as provided under Special Conditions in Schedule SJ-2.
   d. The Company will record the incremental costs for the CAP program administration, which have not been reflected in authorized rates.
   e. The Company shall maintain the CAP memorandum account by making entries at the end of each month as follows:
      i. A debit entry shall be made to the CAP memorandum account at the end of each month to record the CAP discounts and program costs.
      ii. A credit entry shall be made to the CAP memorandum account at the end of each month to record the revenues from the CAP surcharges.
      iii. Interest shall accrue to the CAP memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of month and the end-of-month balances.

   The CAP memorandum account shall go into effect on the effective date of Advice Letter 254-W.

5. A surcredit of $0.006 per 100 cubic feet of water used is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, commencing on the effective date of Advice Letter 359-W, for approximately 12 months period.

(Continued)

Schedule SJ-2
(Continued)

SAN JOSE HILLS SERVICE AREA
NON RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

6. As authorized by the California Public Utilities Commission (C.P.U.C.), pursuant to D.19-05-029, all bills are subject to a surcharge of $0.025 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter 335-W. This surcharge will recover the under-collection balance in the LIRA Program as of September 30, 2016.

7. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to surcharge of $0.204 per 100 cubic feet. This surcharge will amortize the shortfall in revenue between the interim rates implemented on January 1, 2018 and pursuant to Decision 19-05-029 the rates approved in Advice Letter 335-W which became effective on July 6, 2019. This surcharge shall commence on August 7, 2019 and remain in effect for an estimated 24-month period or until the shortfall in revenue is fully amortized. (D)

8. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.21-10-024, all bills are subject to a one-time surcharge of $0.12 per 100 cubic feet of water used, beginning with the effective date of Advice Letter 359-W. This surcharge will amortize the under-collection balance in various Memorandum and Balancing Accounts. (T)

9. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to surcharge of $0.031 per 100 cubic feet of water consumed. This surcharge will amortize the under-collection balance in the Allocated Parent Company IT Rate Base Memorandum Account related to the 2019 and 2020 Information Technology capital expenditures. The surcharge will commence on the effective date of Advice Letter 365-W, and will remain in effect for an estimated 19-month period or until the under-collection balance is fully amortized. (N)

(Continued)

Schedule SJ-2
(Continued)

SAN JOSE HILLS SERVICE AREA
NON RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

10. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to a one-time surcredit beginning on the effective date of Advice Letter 356-W. This surcredit will refund the 2020 balance in the Tax Cuts and Job Act Memorandum Account.
The table below shows the surcredit amount based on meter size:

| Meter Size | One-Time Surcredit |
|---|---|
| 5/8"x 3/4" | $1.92 |
| 3/4" | $2.88 |
| 1" | $4.80 |
| 1-1/2" | $9.60 |
| 2" | $15.36 |
| 3" | $28.80 |
| 4" | $48.01 |
| 6" | $96.01 |
| 8" | $153.63 |
| 10" | $220.82 |

11. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to surcharge of $0.226 per 100 cubic feet of water consumption. This surcharge will amortize the shortfall in revenue between the interim rates implemented on January 1, 2021 and the 2021 rates approved in Decision 21-10-024. This surcharge shall commence on the effective date of Advice Letter 362-W, and remain in effect for an estimated 24-month period or until the shortfall in revenue is fully amortized. (D)

12. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to surcharge of $0.188 per 100 cubic feet of water consumption. This surcharge will amortize the under-collected balance in pumped water, purchased water and purchased power reserve accounts. This surcharge shall commence on the effective date of Advice Letter 425-W, and remain in effect for an estimated 24-month period or until the under-collection in the balancing account has been fully amortized. (N)

13. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to surcharge of $0.279 per 100 cubic feet of water consumption. This surcharge will amortize the under-collection balance in pumped water, purchased water and purchased power reserve accounts. This surcharge shall commence on the effective date of Advice Letter 418-W, and remain in effect for an estimated 12-month period or until the under-collection in the balancing account has been fully amortized.

14. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to surcharge of $0.257 per 100 cubic feet of water consumption. This surcharge will amortize the under-collection balance in pump tax, purchased water and purchased power reserve account. This surcharge shall commence on the effective date of Advice Letter 414-W, and remain in effect for an estimated 24-month period or until the under-collection in the balancing account has been fully amortized.

Schedule SJ-2
(Continued)

SAN JOSE HILLS SERVICE AREA
NON RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

15. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.24-12-030, all bills are subject to a one-time surcredit of $0.13 per 100 cubic feet of water used, beginning with the effective date of Advice Letter 406-W. This surcredit will amortize the over-collection balance in various Memorandum and Balancing Accounts.

16. As authorized by the California Public Utilities Commission (C.P.U.C.), all bills are subject to surcharge of $0.230 per 100 cubic feet. This surcharge will amortize the shortfall in revenue between the interim rates implemented on January 1, 2024 and pursuant to Decision 24-12-030 the rates approved in Advice Letter 406-W which became effective on March 1, 2025. This surcharge shall commence on the effective date of Advice Letter 407-W, and remain in effect for an estimated 22-month period or until the shortfall in revenue is fully amortized.

17. As authorized by the California Public Utilities Commission (C.P.U.C.), all non Customer Assistance Program (CAP) bills are subject to a surcharge of $0.037 per 100 cubic feet of water consumption. This surcharge will recover the under-collection balance in the CAP, the difference between the interim rate implemented on January 1, 2024 and pursuant to Decision 24-12-030 the rates approved in Advice Letter 406-W which became effective on March 1, 2025. This surcharge shall commence on the effective date of Advice Letter 407-W, and remain in effect for an estimated 12-month period or until the shortfall in CAP is fully amortized.

18. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.24-12-030, all bills are subject to a one-time surcharge of $0.074 per 100 cubic feet of water consumed. This surcharge will amortize the under-collection balance in the Catastrophic Event Memorandum Account (CEMA) related to COVID-19. The surcharge shall commence on the effective date of Advice Letter 408-W.

19. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.24-12-030, all bills are subject to one-time surcharge of $0.135 per 100 cubic feet of water used is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Customer Assistance Program (CAP) credit, commencing on the effective date of Advice Letter 409-W. (N)