### Schedule SJ-1

**SAN JOSE HILLS SERVICE AREA**

**RESIDENTIAL METERED SERVICE**

#### APPLICABILITY
Applicable to all residential metered water service.

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

#### RATES

<table>
<thead>
<tr>
<th>Tariff Area No.</th>
<th>Block 1</th>
<th>$2.771</th>
<th>Block 2</th>
<th>$3.111</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff Area No. 2</td>
<td>Block 1</td>
<td>$2.884</td>
<td>Block 2</td>
<td>$3.179</td>
</tr>
<tr>
<td>Tariff Area No. 3</td>
<td>Block 1</td>
<td>$3.008</td>
<td>Block 2</td>
<td>$3.438</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Charge</th>
<th>Per Meter</th>
<th>Block 1 Usage</th>
<th>Per Month</th>
<th>Up To (per 100 cu.ft.)</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>For 5/8 x 3/4-inch meter</td>
<td>$13.11</td>
<td>20 (I)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For 3/4-inch meter</td>
<td>19.66</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For 1-inch meter</td>
<td>32.76</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For 1-1/2-inch meter</td>
<td>65.52</td>
<td>70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For 2-inch meter</td>
<td>104.84</td>
<td>233</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For 3-inch meter</td>
<td>196.57</td>
<td>321 (I)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

(Continued)
SCHEDULE SJ-1
(Continued)
SAN JOSE HILLS SERVICE AREA
RESIDENTIAL METERED SERVICE

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 $0.040 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, in order to support the LIRA program, commencing January 1, 2015.

4. Low Income Ratepayer Assistance (LIRA) Memorandum Account
   a. The Company shall maintain a Low Income Ratepayer Assistance (LIRA) Memorandum Account to record the differences between LIRA discounts, program costs, and the revenues generated by the LIRA surcharge.
   b. The Company will record the LIRA discounts (credits) for service as provided under Schedule No. LIC-1.
   c. The Company will record the LIRA surcharge for service as provided under Special Conditions in Schedule SJ-1.
   d. The Company will record the incremental costs for the LIRA program administration, which have not been reflected in authorized rates.
   e. The Company shall maintain the LIRA memorandum account by making entries at the end of each month as follows:
      i. A debit entry shall be made to the LIRA memorandum account at the end of each month to record the LIRA discounts and program costs.
      ii. A credit entry shall be made to the LIRA memorandum account at the end of each month to record the revenues from the LIRA surcharges.
      iii. Interest shall accrue to the LIRA 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 LIRA memorandum account shall go into effect on the effective date of Advice Letter 254-W.

5. As authorized by the California Public Utilities Commission, beginning December 1, 2014 all bills are subject to a surcharge of $0.1554 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 36 months.
SUPPLEMENT

SCHEDULE SJ-1
(Continued)

SAN JOSE HILLS SERVICE AREA
RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

6. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.14-12-038, all bills are subject to a surcharge of $0.043 per 100 cubic feet for a 12-month period, beginning with the effective date of Advice Letter 309-W. This surcharge will recover the undercollected balance in the Water Revenue Adjustment Mechanism (WRAM) as of December 31, 2013.

7. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.14-12-038, all bills are subject to a surcharge of $0.017 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter 309-W. This surcharge will recover the undercollected balance in the Low Income Ratepayer Assistance (LIRA) Program as of December 31, 2013.

8. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.14-12-038, all bills are subject to a surcharge of $0.007 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter 309-W. This surcharge will amortize the undercollected balance in the 2012 Cost of Capital Litigation Memorandum Account.

9. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.14-12-038, all bills are subject to a surcharge of $0.027 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter 309-W. This surcharge relates to the resolution in A.14-02-004 of the rehearing of a hold-over issue from a prior proceeding A.11-02-002. This issue involves the California Corporation Franchise Tax deductible in computing Federal Income Taxes for the years 2012 through 2014.

10. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to Advice Letter 313-W, beginning October 16, 2015, all bills are subject to a surcharge of $0.112 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 12 months.