



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

December 5, 2025

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**Advice Letter No. 621A**

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUPPLEMENT

Per request of the Commission’s Water Division, San Jose Water Company (U-168-W) (SJWC) hereby is supplementing Advice letter 621 to record the change in the potable quantity rate, raw water quantity rate and recycled piped water quantity rate.

SJWC hereby submits the following changes in tariff sheets applicable to its service area:

<b>CPUC Sheet No.</b>	<b>Title of Sheet</b>	<b>Canceling CPUC Sheet No.</b>
2370-W	Schedule No. 1 General Metered Service, Page 1	2357-W
2371-W	Schedule No. 1 General Metered Service, Page 2	2325-W
2372-W	Schedule No. 1B General Metered with Auto Fire Sprinkler, Page 1	2358-W
2373-W	Schedule No. 1B General Metered with Auto Fire Sprinkler, Page 3	2328-W
2374-W	Schedule No. 1C General Metered Serv - Mountain District, Page 1	2359-W
2375-W	Schedule No. 1C General Metered Serv - Mountain District, Page 4	2332-W
2376-W	Schedule No. 4 Private Fire Service	2360-W
2377-W	Schedule No. RW Raw Water Metered Service, Page 1	2361-W
2378-W	Schedule No. RW Raw Water Metered Service, Page 2	2335-W
2379-W	Schedule No. RCW Recycled Water Metered Service, Page 1	2362-W
2380-W	Schedule No. RCW Recycled Water Metered Service, Page 2	2337-W
2381-W	Table of Content	2369-W

**Purpose**

This advice letter is filed in compliance with Decision (D.) 24-12-077, adopted on December 19, 2024, which resolves San Jose Water Company (SJWC)’s 2024 General Rate Case (Application 24-01-001). SJWC is seeking to implement 2026 water rates and charges as set forth in D.24-12-077.

With this Tier I advice letter, SJWC requests approval to increase revenue requirement by \$17,212,172 or 2.89% via a step rate increase for escalation year 2026 as authorized in D.24-12-077 issued on December 27, 2024. These tariffs are submitted pursuant to General Order No. 96-B and to the authority established by the California Public Utilities Commission (Commission) in D.24-12-077.

This supplement records changes in the quantity rates for potable water, raw water, and recycled water. These adjustments are based on the updated authorized potable usage reflected in the Rate Calculation sheet from Attachment B. As a result, the tier rates have been modified. For an average residential customer using 10 CCF per month, the base bill will increase by \$0.12 per month.

### **Background**

Ordering Paragraph No. 1, 2 and 3 of D.24-12-077 state:

- “1. San Jose Water Company is granted \$566,477,943 in revenue requirement for Test Year 2025 in this general rate case and \$581,481,224 and \$599,712,746 for attrition years 2026 and 2027, respectively.*
- 2. The Settlement Agreement between San Jose Water Company and the Public Advocate’s Office of the Public Utilities Commission attached as Appendix B is adopted.*
- 3. San Jose Water Company shall file a Tier 1 Advice Letter to implement the rates and charges as adopted in the Settlement Agreement and as shown in Appendix B to this decision.”*

SJWC’s updated tariffs filed with this advice letter reflect the rates authorized in D.24-12-077 and current inflation factors to generate \$17,212,172 in revenue requirement.

The Commission’s Rate Case Plan requires that the requested rate increase shall be subject to the pro-forma earnings test. SJWC has attached the pro-forma Summary of Earnings as of October 31, 2025 (Attachment A) which shows that on a pro-forma basis, the company is currently earning 7.49%, which is below the currently authorized Rate of Return of 7.86%.

In accordance with the methodology set forth in the Rate Case Plan, SJWC has computed the 2026 escalation year revenue increase (Attachment B) using the authorized Rate of Return of 7.86% and the terms set forth in D.24-12-077. The escalation factors as of October 2025 published by the Public Advocates Office, and September 2025 CPI (Attachment C) were used in the escalation calculation.

Public notice via a newspaper advertisement will be completed by December 15, 2025, and confirmation will be provided upon completion.

### **Rate Calculation and Average Bill Comparison**

The total escalation revenue impact is \$17,212,172 or 2.89% of SJWC’s authorized and adjusted revenue for 2026 (Attachment B). As a result of this rate change, the base bill (only tier and service charges) for the average residential customer using 10 ccf per month will increase by \$3.75, or 2.89% per month.

### **Effective Date**

Pursuant to D.24-12-077, SJWC requests that this filing becomes effective on January 1, 2026.

### **Protests and Responses**

Anyone may respond to or protest this advice letter. A response does not oppose the filing but presents information that may prove useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds may include the following:

1. The utility did not properly serve or give notice of the advice letter;
2. The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the advice letter contain material error or omissions;
4. The relief requested in the advice letter is pending before the Commission in a formal proceeding;
5. The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
6. The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission)

A response or protest must be made in writing or by electronic mail and must be received by the Water Division by December 15, 2025. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor  
California Public Utilities Commission,  
505 Van Ness Avenue  
San Francisco, CA 94102  
water\_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail to us, addressed to:

Regulatory Affairs  
San Jose Water Company  
110 West Taylor Street  
San Jose, CA 95110  
Fax 408.279.7934  
regulatoryaffairs@sjwater.com

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after December 15, 2025. Public notice is not required.

In compliance with Paragraph 4.3 of GO 96-B, a copy of this advice letter has been mailed to all interested and affected parties as detailed in the Advice Letter 621A Service List (Attachment D).

San Jose Water Company currently has Advice Letters 619 and 620 pending before the Commission.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Very truly yours,

JOHN TANG  
Vice President of Regulatory Affairs

**Schedule No. 1**

**GENERAL METERED SERVICE**

**APPLICABILITY**

Applicable to general metered water service.

**TERRITORY**

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

**RATES**

**Quantity Rate Per 100 cu.ft. (Ccf):**

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from	0 to 6	\$4.7924	(I)
For Total Monthly Usage from	6+ to 12	\$7.1528	(I)
For Total Monthly Usage over	12+ and above	\$13.6618	(I)

**All Other Customers**

For all water delivered per ccf		\$7.1528	(I)
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**Service Charges**

All Customers		<b><u>Per Meter Per Month</u></b>	
5/8 x3/4-inch meter	.....	\$75.84	(I)
3/4-inch meter	.....	\$75.84	
1-inch meter	.....	\$126.42	
1 1/2-inch meter	.....	\$252.83	
2-inch meter	.....	\$404.53	
3-inch meter	.....	\$758.50	
4-inch meter	.....	\$1,264.17	
6-inch meter	.....	\$2,528.34	
8-inch meter	.....	\$4,045.34	
10-inch meter	.....	\$5,815.17	

The Service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

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(To be inserted by utility)

Issued By

(To be inserted by Cal. P.U.C.)

Advice Letter No.: 621A

John Tang  
NAME

Date Filed: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Decision No.: D.24-12-077

Vice President, Regulatory Affairs  
TITLE

Resolution No.: \_\_\_\_\_

**Schedule No. 1**

**GENERAL METERED SERVICE**

(Continued)

**SPECIAL CONDITIONS**

1. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of \$5.0257 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill.
2. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
3. To fund the Customer Assistance Program (CAP) for residential low-income households, a surcharge of \$2.61 per month will be added to the bill.
4. To fund the repayment of a Safe Drinking Water State Revolving Fund Loan, pursuant to D.05-01-048 dated January 27, 2005, a monthly surcharge will be added to the bill as follows:

Surcharge:	<u>Year 1 - 10</u>	<u>Year 11 - 20</u>
	<u>Per Meter Per Month</u>	
5/8 x3/4-inch meter .....	\$0.02	\$0.02
3/4-inch meter .....	\$0.02	\$0.02
1-inch meter .....	\$0.04	\$0.02
1 1/2-inch meter .....	\$0.08	\$0.06
2-inch meter .....	\$0.13	\$0.09
3-inch meter .....	\$0.23	\$0.18
4-inch meter .....	\$0.38	\$0.32
6-inch meter .....	\$0.74	\$0.67
8-inch meter .....	\$1.19	\$1.08
10-inch meter .....	\$1.71	\$1.55

5. The billing period service charges and all applicable flat rate charges and credit will be calculated using the Uniform Formula:

$$\left( \frac{\text{Number of Billing Days at Effective Service Charge}}{30.4375} \right) \times (\text{Effective Service Charge}) = \text{Billed Service Charge}$$

(D)

(To be inserted by utility)

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(To be inserted by Cal. P.U.C.)

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TITLE

Resolution No.: \_\_\_\_\_

**Schedule No. 1B**

**GENERAL METERED SERVICE WITH  
AUTOMATIC FIRE SPRINKLER SYSTEM**

**APPLICABILITY**

Applicable to all detached single family structures whose automatic fire sprinkler system is served through the meter providing residential water service.

**TERRITORY**

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

**RATES**

**Quantity Rate Per 100 cu.ft. (Ccf):**

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from	0 to 6 ccfs	\$4.7924	(I)
For Total Monthly Usage from	6+ to 12 ccfs	\$7.1528	(I)
For Total Monthly Usage over	12+ ccfs	\$13.6618	(I)

All Other Customers

For all water delivered per ccf		\$7.1528	(I)
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**Service Charges**

All Customers	<u>Per Meter Per Month</u>	
5/8 x 3/4-inch meter .....	\$75.84	(I)
3/4-inch meter .....	\$75.84	
1-inch meter .....	\$126.42	
1 1/2-inch meter .....	\$252.83	
2-inch meter .....	\$404.53	
3-inch meter .....	\$758.50	
 Upsize Charges:		
For 1/4-inch meter upsize .....	\$3.13	(I)
For 1/2-inch meter upsize .....	\$6.26	
For 3/4-inch meter upsize .....	\$9.41	
For 1-inch meter upsize .....	\$12.56	
For 1 1/2-inch meter upsize .....	\$18.83	

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(To be inserted by utility)

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TITLE

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Resolution No.: \_\_\_\_\_

Schedule No. 1B

GENERAL METERED SERVICE WITH  
AUTOMATIC FIRE SPRINKLER SYSTEM

(Continued)

SPECIAL CONDITIONS

6. The billing period service charges and all applicable flat rate charges and credit will be calculated using the Uniform Formula:

$$\left( \frac{\text{Number of Billing Days at Effective Service Charge}}{30.4375} \right) \times (\text{Effective Service Charge}) = \text{Billed Service Charge}$$

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**Schedule No. 1C**

**GENERAL METERED SERVICE  
MOUNTAIN DISTRICT**

APPLICABILITY

Applicable to general metered water service.

TERRITORY

Portions of Los Gatos and in contiguous territory in the County of Santa Clara.

RATES

**Quantity Rate Per 100 cu.ft. (Ccf):**

**Overuse Rates beyond 500 gallons per day limit**

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from	0 to 6 ccfs	\$4.7924	(I)
For Total Monthly Usage from	6+ to 12 ccfs	\$7.1528	(I)
For Total Monthly Usage over	12+ ccfs	\$13.6618	(I)

All Other Customers

For all water delivered per 100 cu. Ft		\$7.1528	(I)
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**Service Charges**

All Customers	<u>Per Meter Per Month</u>	
5/8 x3/4-inch meter	\$75.84	(I)
3/4-inch meter	\$75.84	
1-inch meter	\$126.42	
1 1/2-inch meter	\$252.83	
2-inch meter	\$404.53	
3-inch meter	\$758.50	
4-inch meter	\$1,264.17	
6-inch meter	\$2,528.34	
8-inch meter	\$4,045.34	
10-inch meter	\$5,815.17	(I)

The Service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

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(To be inserted by utility)

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(To be inserted by Cal. P.U.C.)

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Vice President, Regulatory Affairs  
TITLE

Resolution No.: \_\_\_\_\_

Schedule No. 1C

GENERAL METERED SERVICE

MOUNTAIN DISTRICT

(Continued)

SPECIAL CONDITIONS

8. The billing period service charges and all applicable flat rate charges and credit will be calculated using the Uniform Formula:

$$\left( \frac{\text{Number of Billing Days at Effective Service Charge}}{30.4375} \right) \times (\text{Effective Service Charge}) = \text{Billed Service Charge}$$

(D)

(To be inserted by utility)

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Vice President, Regulatory Affairs  
TITLE

Effective Date: \_\_\_\_\_

Resolution No.: \_\_\_\_\_

**Schedule No. 4**

**PRIVATE FIRE SERVICE**

**APPLICABILITY**

Applicable to all water service furnished to privately owned fire protection systems.

**TERRITORY**

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

**RATES**

Service Connection

**Per Month**

For each	2-inch service	.....	\$62.80	(I)
For each	3-inch service	.....	\$78.50	
For each	4-inch service	.....	\$109.90	
For each	6-inch service	.....	\$172.69	
For each	8-inch service	.....	\$219.79	
For each	10-inch service	.....	\$282.60	
For each	12-inch service	.....	\$345.42	

**SPECIAL CONDITIONS**

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
  
2. If a distribution main of adequate size to serve a private fire protection system, in addition to all other normal service, does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall then be installed by the utility and the cost paid by applicant. Such payment shall not be subject to refund.
  
3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

(To be inserted by utility)

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(To be inserted by Cal. P.U.C.)

Advice Letter No.: 621A

John Tang

Date Filed: \_\_\_\_\_

NAME

Effective Date: \_\_\_\_\_

Decision No.: D.24-12-077

Vice President, Regulatory Affairs

Resolution No.: \_\_\_\_\_

TITLE

**Schedule No. RW**

**RAW WATER METERED SERVICE**

**APPLICABILITY**

Applicable to general metered water service.

**TERRITORY**

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

**RATES**

**Quantity Rate Per 100 cu.ft. (Ccf):**

For all water delivered per ccf	\$6.88980	(I)
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**Service Charges**

All Customers	<b><u>Per Meter Per Month</u></b>	
5/8 x3/4-inch meter .....	\$75.84	(I)
3/4-inch meter .....	\$75.84	
1-inch meter .....	\$126.42	
1 1/2-inch meter .....	\$252.83	
2-inch meter .....	\$404.53	
3-inch meter .....	\$758.50	
4-inch meter .....	\$1,264.17	
6-inch meter .....	\$2,528.34	
8-inch meter .....	\$4,045.34	
10-inch meter .....	\$5,815.17	(I)

The Service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

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(To be inserted by utility)

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(To be inserted by Cal. P.U.C.)

Advice Letter No.: 621A

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NAME

Date Filed: \_\_\_\_\_

Decision No.: D.24-12-077

Vice President, Regulatory Affairs  
TITLE

Effective Date: \_\_\_\_\_

Resolution No.: \_\_\_\_\_

Schedule No. RW

RAW WATER METERED SERVICE

(Continued)

SPECIAL CONDITIONS

- 1. The customer is responsible for notice of and compliance with all local, state, and federal rules and regulations that apply from time to time to the use of raw water, as defined in San Jose Water Company's Rule 1.
- 2. The customer must provide and/or contribute all facilities needed to transport the water from its source to the customer's point of service in accordance with the utility's Rule 15.
- 3. The utility will supply at the point of connection only such raw water at such pressure as may be available from time to time from the Santa Clara Valley Water District. The customer shall indemnify the utility and save it harmless from any and all claims arising out of service under this schedule, and shall further agree to make no claims against the utility for any loss, damage or injury resulting from service under this schedule.
- 4. As a condition for service under this schedule, all customers are required to comply with all San Jose Water Company's tariffs, except for those identified in the Commission's General Order 103 regarding supply of water not intended or claimed to be potable.
- 5. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a refund of \$5.0257 per 100 cubic feet for the quantities of water used on the effective date of this advice letter. In accordance with Santa Clara Valley Water District procedures customers will be refunded every six months.
- 6. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
- 7. The billing period service charges and all applicable flat rate charges and credit will be calculated using the Uniform Formula:

$$\left( \frac{\text{Number of Billing Days at Effective Service Charge}}{30.4375} \right) \times (\text{Effective Service Charge}) = \text{Billed Service Charge}$$

(D)

(To be inserted by utility)

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TITLE

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Resolution No.: \_\_\_\_\_

**Schedule No. RCW**

**RECYCLE WATER METERED SERVICE**

**APPLICABILITY**

Applicable to all recycled water metered service.

**TERRITORY**

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

**RATE**

**Quantity Rate:**

Currently effective quantity rate as reflected in "Schedule No. 1, General Metered Service" less the treated water surcharge currently added to potable deliveries from the Santa Clara Valley Water District and less any applicable discount from the South Bay Water Recycling Program.

**Service Charges:**

Currently effective monthly service charge for the applicable meter size as reflected in "Schedule No. 1, General Metered Service".

**SPECIAL CONDITIONS**

- For the purpose of this tariff a well user is defined as a customer of the Santa Clara Valley Water District who procures his/her non-potable supply from an on-site well as of the first effective date of this tariff. This service charge for well users will be in accordance with the following schedule:

**Service Charges**

<u>Meter Size</u>	<u>Per Meter Per Month</u>	
2-inch meter .....	\$51.16	(l)
3-inch meter .....	\$68.23	
4-inch meter .....	\$76.74	
6-inch meter .....	\$128.16	
8-inch meter .....	\$153.52	
10-inch meter .....	\$238.81	(l)

The monthly service charge will be changed in an amount equal to changes in the monthly service charge for similarly sized meters under "Schedule No. 1, General Metered Service". In addition to the service charge, such customers will be charged for the quantity of recycled water used at that site in the same amount billed to San Jose Water Company by the South Bay Water Recycling Program.

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Vice President, Regulatory Affairs  
TITLE

Resolution No.: \_\_\_\_\_

Schedule No. RCW

RECYCLE WATER METERED SERVICE

(Continued)

SPECIAL CONDITIONS

- 2. The City of San Jose is responsible for determination of customer eligibility for the South Bay Water Recycling Program.
- 3. The customer is responsible for notice of and compliance with all Customer Service Rules for use of recycled water as provided by the City of San Jose in addition to all local, state, and federal rules and regulations that apply from time to time to the use of recycled water, as defined in San Jose Company's Rule 1.
- 4. The utility will supply at the point of connection only such recycled water at such pressure as may be available from time to time from the San Jose/Santa Clara Water Pollution Control Plant. The customer agrees to make no claims against the utility for loss, damage or injury caused by service interruptions.
- 5. The customer shall deferred and indemnify the utility and save it harmless from any and all claims arising out of service and water use under this schedule and shall further agree to make no claims against the utility for any loss, damage or injury resulting from service and water use under this schedule.
- 6. As a condition for service under this schedule, all customers are required to comply with all of San Jose Water Company's tariff, except for those specically excluded by Appendix A of the Commission's General Order 103 regarding supply of water not intended or claimed to be potable.
- 7. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
- 8. The billing period service charges and all applicable flat rate charges and credit bill be calculated unusing the Uniform Formula:

$$\left( \frac{\text{Number of Billing Days at Effective Service Charge}}{30.4375} \right) \times (\text{Effective Service Charge}) = \text{Billed Service Charge}$$

(D)

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TITLE

Resolution No.: \_\_\_\_\_

# SAN JOSE WATER COMPANY (U-168-W)

## RECYCLED WATER METERED SERVICE

Effective January 1, 2026

### I. PIPED SUPPLY

Potable customer of SJWC converting to recycled water

#### A. Standby Charge Based on Meter Size

	<u>Meter Size</u>	<u>Monthly Charge</u>
For	3/4-inch meter -----	\$75.84
For	1-inch meter -----	\$126.42
For	1 1/2-inch meter -----	\$252.83
For	2-inch meter -----	\$404.53
For	3-inch meter -----	\$758.50
For	4-inch meter -----	\$1,264.17
For	6-inch meter -----	\$2,528.34
For	8-inch meter -----	\$4,045.34
For	10-inch meter -----	\$5,815.17

#### B. Quantity Rate

Irrigation	\$6.6471	per 100 cu. ft.
Industrial	\$6.6471	per 100 cu. ft.
Agricultural	\$6.6471	per 100 cu. ft.

#### Notes:

- 1) *Discounts given by South Bay Water Recycling passed through to customers  
0.68/% PUC fee and 5% utility user's tax will be applied to the bill.*

# SAN JOSE WATER COMPANY (U-168-W)

## RECYCLED WATER METERED SERVICE

Effective January 1, 2026

### II. WELL SUPPLY

A well user is defined as a customer of the Santa Clara Valley Water District who procures his/her non-potable supply from an on-site well. The service charge for well user will be in accordance with the following schedule:

#### A. Standby Charge Based on Meter Size

	<u>Meter Size</u>	<u>Monthly Charge</u>
For	2-inch meter -----	\$51.16
For	3-inch meter -----	\$68.23
For	4-inch meter -----	\$76.74
For	6-inch meter -----	\$128.16
For	8-inch meter -----	\$153.52
For	10-inch meter -----	\$238.81

#### B. Quantity Rate

Irrigation	\$5.3834	per 100 cu. ft.
Industrial	\$5.3834	per 100 cu. ft.
Agricultural	\$5.3834	per 100 cu. ft.

#### Notes:

- 1) *Discounts given by South Bay Water Recycling passed through to customers 0.7% PUC fee and 5% utility user's tax will be applied to the bill.*

**Table of Contents**

The following listed tariff sheets contain all effective rates, rules and regulations affecting the rates and service of the Utility, together with information relating thereto:

<u>Subject Matter of Sheet</u>	<u>CPUC Sheet No.</u>
Title	1495-W
Table of Contents	2320-W, 2349-W, 2381-W (T)
Preliminary Statement	919-W, 1303-W, 2339-W, 2340-W, 2035-W 2037-W, 2040-W, 2041-W, 2215-W, 2087-W 2244-W, 2341-W, 2342-W, 2217-W, 2343-W 2252-W, 2263-W, 2279-W, 2277-W, 2364-W 2366-W, 2368-W
Service Area Map Locator	1266-W
Service Area Map Locator, Index	2275-W
Map of Areas with Special Pressure & Fire Flow Conditions	2116-W
Index to Map of Areas with Special Pressure & Fire Flow	1079-W, 2117-W, 1082-W, 1087-W, 1404-W
Rate Schedule:	
Schedule No. 1 General Metered Service	2370-W, 2371-W (T)
Schedule No. 1B General Metered Service With Automatic Fire Sprinkler System	2372-W, 2327-W, 2373-W (T)
Schedule No. 1C General Metered Service - Mountain District	2374-W, 2330-W, 2331-W, 2375-W (T)
Schedule No. 4 Private Fire Service	2376-W, 2187-W (T)
Schedule No. 9C Construction and Other Temporary Metered Service	1118-W, 1094-W
Schedule No. 10R Service to Employee	152-W
Schedule No. 14.1 Water Shortage Contingency Plan With Stage Mandatory Reductions and Drought Surcharges	2131-W, 2132-W, 2133-W 2134-W, 2149-W, 2136-W, 2137-W 2138-W, 2139-W, 2273-W
Schedule No. RW Raw Water Metered Service	2377-W, 2378-W (T)
Schedule No. RCW Recycled Water Metered Service	2379-W, 2380-W (T)
Schedule No. UF Surcharge to Fund Public Utilities Commission Utility Reimbursement Account (PUCURA)	2322-W
Schedule No. CAP Customer Assistance Program	2345-W, 2346-W
Schedule No. AMI Advanced Metering Infrastructure Opt-Out Fee	2281-W
List of Contractss and Deviations	2246-W, 2261-W

(Continued)

(To be inserted by utility)

Issued By

(To be inserted by Cal. P.U.C.)

Advice Letter No.: 621A

John Tang  
NAME

Date Filed: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Decision No.: D.24-12-077

Vice President, Regulatory Affairs  
TITLE

Resolution No.: \_\_\_\_\_

## **Index of Workpapers**

<b>Attachment A</b>	<b>San Jose Water Company Summary of Earnings dated October 31, 2025</b>
<b>Attachment B</b>	<b>Escalation Calculation Workpapers</b>
<b>Attachment C</b>	<b>Inflation Factors</b>
<b>Attachment D</b>	<b>Service List</b>

**SAN JOSE WATER COMPANY**

**ADVICE LETTER NO. 621A**

**ATTACHMENT A**

**SAN JOSE WATER COMPANY**

(U-168-W)

**SUMMARY OF EARNINGS AND RATE OF RETURN  
FOR THE TWELVE MONTHS ENDED OCTOBER 31, 2025**

(\$ Amounts in Thousands)

	<b>Authorized Per AL 617</b>	<b>Recorded</b>	<b>Adjustment</b>	<b>Pro-forma</b>
<b>Operating Revenue:</b>				
Metered Revenues (Including Rev Adjust for BA & Surcharge Collection)	\$594,947	\$566,004		\$579,632
Other Water Revenues	\$0	\$8,074		\$8,074
Deferred Revenue on CIAC	\$885	\$615		\$885
	<u>\$595,832</u>	<u>\$574,693</u>		<u>\$588,591</u>
Total Metered Revenue	\$595,832	\$574,693	A	\$588,591
<b>Operating Expense:</b>				
Purchased Water - Potable	\$136,621	\$119,221	F	\$134,936
Purchased Water - Recycled	\$6,622	\$5,947	F	\$6,225
Pump Taxes	\$111,405	\$109,757	G	\$110,022
Purchased Power	\$8,821	\$11,220	H	\$8,712
Operations & Maintenance	\$54,284	\$53,433	D	\$54,284
Chemical	\$861	\$829	I	\$850
Administrative & General	\$46,380	\$45,786	D	\$46,380
Depreciation & Amortization	\$81,574	\$79,306	D	\$79,581
	<u>\$446,568</u>	<u>\$425,499</u>		<u>\$440,990</u>
Subtotal	\$446,568	\$425,499		\$440,990
Uncollectible	\$1,134	\$3,440	B	\$1,118
Taxes Other Than Income	\$19,581	\$18,039	C	\$20,370
B/A Memo Acct GAAP & Revenue Adjustments for Balancing & Memo Acct Surcharge Collection	\$0	\$8,926	E	\$0
	<u>\$467,283</u>	<u>\$455,903</u>		<u>\$462,477</u>
Total Operating Expense Before Income Taxes	\$467,283	\$455,903		\$462,477
Operating Revenue Before Income Taxes	\$128,549	\$118,790		\$126,114
State Income Tax	\$6,867	\$5,298	J	\$6,449
Federal Income Tax	\$18,833	\$19,513	J	\$18,351
	<u>\$492,983</u>	<u>\$480,715</u>		<u>\$487,277</u>
Total Operating Expense	\$492,983	\$480,715		\$487,277
<b>Net Operating Revenue</b>	\$102,849	\$93,978		\$101,314
Weighted Average Rate Base	1,308,483	1,351,820		1,351,820
Earned Rate of Return	<u>7.86%</u>	<u>6.95%</u>		<u>7.49%</u>
Authorized Rate of Return	<u>7.86%</u>		K	<u>7.86%</u>

**SAN JOSE WATER COMPANY**

**ADVICE LETTER NO. 621A**

**ATTACHMENT B**

Revenue  
Increase:  
17,212.172  
17,212.172 2.89%

Attrition Year 2026

	Customer Growth Factor/Adopted per D.24-12-077	Labor Inflation Factor	Composite Non-Labor or Factor	CPI-U Inflation Factor	=	1-Jan-26 Projected Escalation Year
	0.161%	2.80%	3.34%	3.00%		
OPERATING REVENUES						612,159.368
DEFERRED REVENUE						885.0
PURCHASED WATER	0.0	0.0	0.0	0.0		136,623.3
PURCHASED WATER RECYCLED	0.0	0.0	0.0	0.0		6,783.1
PUMP TAX	0.0	0.0	0.0	0.0		111,549.2
PURCHASED POWER	0.0	0.0	0.0	0.0		8,826.0
OTHER OPERATION AND MAINTENANCE	1.2	0.0	24.4	0.0		755.9
CHEMICALS	1.4	0.0	28.8	0.0		891.2
UNCOLLECTIBLES	32.9	0.0	0.0	0.0		1,166.6
O&M PAYROLL	46.0	797.4	0.0	0.0		29,320.3
TRANSPORTATION	6.5	0.0	135.1	0.0		4,187.5
PURCHASED SERVICES	32.6	0.0	0.0	605.5		20,822.2
CONSERVATION	1.4	0.0	0.0	25.4		873.3
OTHER ADMIN AND GEN. EXP.	9.5	0.0	196.4	0.0		6,085.7
A&G PAYROLL	28.3	491.1	0.0	0.0		18,057.4
PENSION	0.0	0.0	0.0	0.0		7,378.0
BENEFITS	6.1	106.4	0.0	0.0		3,913.8
HEALTH CARE & DENTAL	15.5	269.4	0.0	0.0		9,907.7
RENTS	0.9	0.0	0.0	16.5		565.8
PROPERTY INSURANCE	0.8	0.0	0.0	14.3		493.0
LIABILITY INSURANCE	9.8	0.0	0.0	181.6		6,245.0
A&G PURCHASED SERVICES	12.9	0.0	0.0	240.3		8,262.8
A&G TRANSFERRED SERVICES	-20.9	0.0	-431.8	0.0		-13,382.0
<b>TOTAL O. &amp; M., A. &amp; G., &amp; MISC. EXP.</b>	<b>184.9</b>	<b>1,664.3</b>	<b>-47.2</b>	<b>1,083.6</b>		<b>369,325.8</b>
AD VALOREM TAXES	764.0	0.0	0.0	0.0		15,069.0
LOCAL FRANCHISE TAXES & BUS. LICENSE	37.7	0.0	0.0	0.0		1,334.5
BUS LICENCE	0.3	0.0	5.9	0.0		181.4
PAYROLL TAXES	6.1	106.5	0.0	0.0		3,916.2
<b>TOTAL GENERAL TAXES</b>	<b>808.1</b>	<b>106.5</b>	<b>5.9</b>	<b>0.0</b>		<b>20,501.1</b>
Depreciation	5,055.0					86,629.1
<b>S U B -- T O T A L -- OPERATING EXPENSES</b>	<b>6,048.0</b>	<b>1,770.8</b>	<b>-41.3</b>	<b>1,083.6</b>		<b>476,456.0</b>
STATE INCOME TAX						6,951.5
FEDERAL INCOME TAX						20,456.3
<b>TOTAL OPERATING EXPENSES</b>						<b>503,863.8</b>
<b>NET INCOME</b>						<b>109,180.6</b>
<b>AUTHORIZED RATE BASE</b>	<b>80,583.0</b>					<b>1,389,065.7</b>
<b>CALCULATED RETURN ON RATEBASE</b>						<b>7.86%</b>
<b>AUTHORIZED RETURN ON RATEBASE</b>						<b>7.86%</b>

**SAN JOSE WATER COMPANY**

**ADVICE LETTER NO. 621A**

**ATTACHMENT C**



## Economic News Release

### Consumer Price Index Summary

Transmission of material in this release is embargoed until 8:30 a.m. (ET) Friday, October 24, 2025 USDL-25-1502

Contact information: (202) 691-5902 \* [PressOffice@bls.gov](mailto:PressOffice@bls.gov)

#### CONSUMER PRICE INDEX - SEPTEMBER 2025

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent on a seasonally adjusted basis in September, after rising 0.4 percent in August, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 3.0 percent before seasonal adjustment. Note that September CPI data collection was completed before the lapse in appropriations.

The index for gasoline rose 4.1 percent in September and was the largest factor in the all items monthly increase, as the index for energy rose 1.5 percent over the month. The food index increased 0.2 percent over the month as the food at home index rose 0.3 percent and the food away from home index increased 0.1 percent.

The index for all items less food and energy rose 0.2 percent in September, after rising 0.3 percent in each of the 2 preceding months. Indexes that increased over the month include shelter, airline fares, recreation, household furnishings and operations, and apparel. The indexes for motor vehicle insurance, used cars and trucks, and communication were among the few major indexes that decreased in September.

The all items index rose 3.0 percent for the 12 months ending September, after rising 2.9 percent over the 12 months ending August. The all items less food and energy index also rose 3.0 percent over the last 12 months. The energy index increased 2.8 percent for the 12 months ending September. The food index increased 3.1 percent over the last year.

**Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average**

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Sep. 2025
	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	
<b>All items</b>	-0.1	0.2	0.1	0.3	0.2	0.4	0.3	3.0
<b>Food</b>	0.4	-0.1	0.3	0.3	0.0	0.5	0.2	3.1
<b>Food at home</b>	0.5	-0.4	0.3	0.3	-0.1	0.6	0.3	2.7
<b>Food away from home<sup>(1)</sup></b>	0.4	0.4	0.3	0.4	0.3	0.3	0.1	3.7
<b>Energy</b>	-2.4	0.7	-1.0	0.9	-1.1	0.7	1.5	2.8
<b>Energy commodities</b>	-6.1	-0.2	-2.4	1.0	-1.9	1.7	3.8	-0.4
<b>Gasoline (all types)</b>	-6.3	-0.1	-2.6	1.0	-2.2	1.9	4.1	-0.5
<b>Fuel oil</b>	-4.2	-1.3	0.9	1.3	1.8	-0.3	0.6	4.1
<b>Energy services</b>	1.6	1.5	0.4	0.9	-0.3	-0.2	-0.7	6.4
<b>Electricity</b>	0.9	0.8	0.9	1.0	-0.1	0.2	-0.5	5.1
<b>Utility (piped) gas service</b>	3.6	3.7	-1.0	0.5	-0.9	-1.6	-1.2	11.7
<b>All items less food and energy</b>	0.1	0.2	0.1	0.2	0.3	0.3	0.2	3.0
<b>Commodities less food and energy commodities</b>	-0.1	0.1	0.0	0.2	0.2	0.3	0.2	1.5
<b>New vehicles</b>	0.1	0.0	-0.3	-0.3	0.0	0.3	0.2	0.8
<b>Used cars and trucks</b>	-0.7	-0.5	-0.5	-0.7	0.5	1.0	-0.4	5.1
<b>Apparel</b>	0.4	-0.2	-0.4	0.4	0.1	0.5	0.7	-0.1
<b>Medical care commodities<sup>(1)</sup></b>	-1.1	0.4	0.6	0.1	0.1	-0.3	-0.1	0.7
<b>Services less energy services</b>	0.1	0.3	0.2	0.3	0.4	0.3	0.2	3.5
<b>Shelter</b>	0.2	0.3	0.3	0.2	0.2	0.4	0.2	3.6
<b>Transportation services</b>	-1.4	0.1	-0.2	0.2	0.8	1.0	0.3	2.5
<b>Medical care services</b>	0.5	0.5	0.2	0.6	0.8	-0.1	0.3	3.9

#### Footnotes

<sup>(1)</sup> Not seasonally adjusted.

#### Food

The index for food rose 0.2 percent in September, after rising 0.5 percent in August. The food at home index increased 0.3 percent over the month. Four of the six major grocery store food group indexes increased in September. The index for other food at home rose 0.5 percent over the month after rising 0.1 percent in August. The cereals and bakery products index and the nonalcoholic beverages index both increased 0.7 percent in September. The index for meats, poultry, fish, and eggs rose 0.3 percent over the month following a 1.0-percent increase in August.

**MEMORANDUM**

Date: October 31, 2025

To: Syreeta Gibbs, Program Manager Water Branch, Public Advocates Office

From: Chandrika Sharma, Utilities Engineer, Public Advocates Office, Water Branch

File No. : S-2559

Subject: Public Advocates Office: Estimates of Non-labor  
and Wage Escalation Rates for 2024 through 2029 from the  
October 2025 IHS Global Insight U.S. Economic Outlook

The purpose of the monthly Escalation Memorandum is to inform division management of the trends in the general price level of utility non-labor expenses and wage contracts. Data are provided for 13 years, which include eight historic years, the estimated current year, and four forecasted years.

The following table summarizes the major changes in forecasted labor and non-labor inflation for years 2025 through 2029. Data for 2024 are provided as benchmarks. The factors for September 2025 are presented for comparison.

	Labor		Non-Labor	
	<u>October-25</u>	<u>September-25</u>	<u>October-25</u>	<u>September-25</u>
2024	4.1%	4.1%	0.7%	0.7%
2025	3.0%	3.0%	2.4%	2.2%
2026	2.8%	2.8%	2.1%	1.7%
2027	2.9%	2.6%	1.6%	1.4%
2028	2.5%	2.3%	1.1%	1.2%
2029	2.3%	2.3%	1.0%	1.1%
Compounded	18.9%	18.4%	9.29%	8.52%

A more extensive explanation of the derivation and use of the above factors and a complete presentation of the escalation factors from 2017 through 2029 are provided in the attached appendix.

**MEMORANDUM**

Date: October 31, 2025

To: Syreeta Gibbs, Program Manager Water Branch, Public Advocates Office

From: Chandrika Sharma, Utilities Engineer, Public Advocates Office, Water Branch

File No.: S-2559

Subject: Public Advocates Office October 2025 Summary of Compensation Per Hour

The following data are provided to Commission water utilities staff to enable them to utilize Public Advocates Office composite non-labor escalation methodology. The numbers are to be used in conjunction with the non-labor factors provided in Public Advocates Office monthly escalation memorandum to bring historic dollars to base year dollars and to inflate recorded dollars to test year levels. The annual change in Compensation per Hour is applicable to contracted services, while the non-labor factor is related to material and supply purchases. In accordance with a 1991 agreement between the CPUC Water Division and the California Water Association (CWA), the monthly non-labor rate is to be weighted by 60 percent and the Compensation per Hour Index weighted 40 percent. If you have any questions regarding the application of these factors, please contact me.

**COMPENSATION PER HOUR**

Annual Rate of Change

Non-farm Business Sector, Seasonally Adjusted

<u>Year</u>	<u>Annual Change</u>
2016	1.2%
2017	3.6%
2018	3.4%
2019	3.7%
2020	8.2%
2021	5.0%
2022	3.6%
2023	4.2%
2024	5.2%
2025	4.4%
2026	5.2%
2027	4.4%
2028	4.4%

Source: IHS Global Insight October 2025 U.S. Economic Outlook

## APPENDIX: EXPLANATION OF ESCALATION RATES

The recommended NON-LABOR ESCALATION RATES for 2017 through 2029 are presented in Table A. The values for 2017 through 2024 are provided for comparison.

Year	Non-Labor Inflation Rate*
2017	3.7%
2018	4.1%
2019	0.1%
2020	-0.5%
2021	14.7%
2022	11.4%
2023	0.1%
2024	0.7%
2025	2.4%
2026	2.1%
2027	1.6%
2028	1.1%
2029	1.0%

\* Revised 07/17/97 based on 1995 re-weighted purchases. [Source: BLS, Supplement to Producer Price Indexes, 1995, Table 12]

These escalation rates represent the calendar year average, or alternatively stated, the 12-month-ended spot rate at mid-year. These price factors have not been adjusted for real growth of expensed materials and services. The escalation factors are generated from a composite index of 10 Wholesale Price Indexes (WPI) for materials and supplies expenses and the CPI-U weighted 5% for services and consumer-related items. **These non-labor rates are not applicable to plant, contracted services, loans, insurance, rents, and pensions and other utility employee benefits. Escalation of these expenses is addressed on pages 10-15 of D.04-06-018/R.03-09-005 (Water Rate Case Plan).**

**SAN JOSE WATER COMPANY**

**ADVICE LETTER NO. 621A**

**ATTACHMENT D**

## SAN JOSE WATER COMPANY (U-168-W)

### ADVICE LETTER 621A SERVICE LIST

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