

SJW Group Announces Deferral of San Jose Water Company's Cost of Capital Filing to May 1, 2026

- 9.81% return on equity, maintains 10.01% return on equity prior to 20 basis point reduction related to the Water Conservation Memorandum Account (WCMA)
- Timing for next cost of capital filing will be May 1, 2026, effective January 1, 2027
- Water Cost of Capital Mechanism (WCCM) remains in place until January 1, 2027

SAN JOSE, Calif., Jan. 16, 2025 – SJW Group (NASDAQ: SJW) announced today that its wholly owned subsidiary, San Jose Water Company, along with three other California water utilities (the “Joint Parties”) received a letter dated January 14, 2025, from the Executive Director of the California Public Utilities Commission (“CPUC”) granting the Joint Parties’ request to defer their scheduled 2025 Cost of Capital (“COC”) filings to May 1, 2026.

On December 18, 2024, the Joint Parties filed a request for a one-year postponement of their COC filings otherwise scheduled to be filed on May 1, 2025. Pursuant to the CPUC’s rate case plan, the Joint Parties are required to file their COC applications every three years. The last COC decision was issued on June 29, 2023. The Joint Parties requested an initial one-year deferment on December 15, 2023, which was granted by the CPUC on February 2, 2024, and the next filing was scheduled on May 1, 2025. Postponing the filing for one additional year alleviates administrative processing costs for both the Joint Parties and CPUC staff.

The deferral includes a provision that the WCCM remains in place until January 1, 2027. The WCCM allows the return on equity to adjust up or down in accordance with the movement in the Moody’s Aa Utility Bond Index.

The WCMA is a temporary revenue protection mechanism authorized by the CPUC due to a voluntary 15% water reduction request from San Jose Water’s water wholesaler because a large reservoir is offline for seismic dam improvements.

About SJW Group

SJW Group is among the largest investor-owned pure-play water and wastewater utilities in the United States, providing life-sustaining and high-quality water service to nearly 1.6 million people. SJW Group’s locally led and operated water utilities - San Jose Water Company in California, The Connecticut Water Company in Connecticut, The Maine Water Company in Maine, and SJWTX, Inc. (dba The Texas Water Company) in Texas - possess the financial strength, operational expertise, and technological innovation to safeguard the environment, deliver outstanding service to customers, and provide opportunities to employees. SJW Group remains focused on investing in its operations, remaining actively engaged in its local communities, and delivering continued sustainable value to its stockholders. For more information about SJW Group, please visit www.sjwgroup.com.

Forward-Looking Statements

This release 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,” “estimates,” “anticipates,” “intends,” “seeks,” “plans,” “projects,” “may,” “should,” “will,” or the negative of those words or other comparable terminology. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict.

These forward-looking statements involve a number of risks, uncertainties and assumptions

including, but not limited to, the following factors: (1) the effect of water, utility, environmental and other governmental policies and regulations, including regulatory actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures, PFAS and other decisions; (2) changes in demand for water and other services; (3) unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage; (4) the effect of the impact of climate change; (5) unexpected costs, charges or expenses; (6) our ability to successfully evaluate investments in new business and growth initiatives; (7) contamination of our water supplies and damage or failure of our water equipment and infrastructure; (8) the risk of work stoppages, strikes and other labor-related actions; (9) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic, or similar occurrences; (10) changes in general economic, political, business and financial market conditions; (11) the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, changes in interest rates, compliance with regulatory requirements, compliance with the terms and conditions of our outstanding indebtedness, and general market and economic conditions; and (12) legislative, and general market and economic developments. The risks, uncertainties and other factors may cause the actual results, performance or achievements of SJW Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. In addition, actual results, performance or achievements are subject to other risks and uncertainties that relate more broadly to our overall business, including those more fully described in our filings with the SEC, including our most recent reports on Form 10-K, Form 10-Q and Form 8-K. Forward-looking statements are not guarantees of future performance, and speak only as of the date made, and SJW Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

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