PRELIMINARY STATEMENT (Continued)

Sheet 1

| BS. | L | arkfield Consolidation Tariff | (N) |
|-----|----------|---|---------|
| 1 | • | OVERVIEW: | |
| | | Pursuant to D. 18-12-021, the revenue requirement for Larkfield customers within California American Water's Northern Division will remain constant at the level in effect at the time of consolidation (Test Year 2018) with any additional awarded revenue requirements to be collected in rates from the fully consolidated Northern Division. Future Larkfield tariff rates could differ due to changes to the projected average consumption per customer and other rate design modifications. | |
| 2 | | EFFECTIVE DATE/DURATION: | |
| | | The Larkfield Consolidation Tariff was established effective January 1, 2018 by the Commission shall be effective until modified by further Commission action. | |
| 3 | 5. | PURPOSE: | |
| | | The purpose of this mechanism is to support rate stabilization for the Larkfield District. The combined revenue requirement, over time, will better allocate the cost of service over a broader customer base, thus reducing the impact of operation, maintenance, and administrative costs in small single Districts. Over time the proposal is to have a single rate tariff for all service areas in the Northern Division, including the Larkfield service area. | |
| 4 | • | APPLICABILITY: | |
| | | Applicable to California American Water's Larkfield customers as well those of the fully consolidation Northern Division. | |
| 5 | . | ACCOUNTING PROCEDURE: | |
| | | Revenues generated from this tariff consolidation will be accounted for exactly as any other revenues with only the revenues generated by the Larkfield Service Area tariff being credited to the Larkfield service area, with all revenue generated by the allocated portion of the of the stand- alone revenue requirement being accounted for in the consolidated Northern Division. | |
| 6 | . | RATEMAKING PROCEDURE: | |
| | | Based on the Larkfield Consolidation Tariff, the Commission approves a continual, set revenue requirement for the Larkfield District of \$3,116,375, as set in Advice Letter 1234-A. | (N) |
| | | | |

ISSUED BY (TO BE INSERTED BY UTILITY) J. T. LINAM DIRECTOR - Rates & Regulatory

Advice

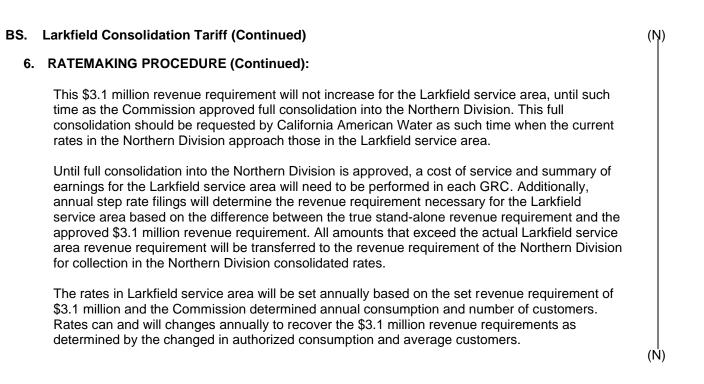
Decision

1353

(Continued)

PRELIMINARY STATEMENT (Continued)

Sheet 2



(Continued)

ISSUED BY J. T. LINAM DIRECTOR - Rates & Regulatory (TO BE INSERTED BY C.P.U.C.)Date Filed12/23/2021Effective03/04/2022Resolution