

PRELIMINARY STATEMENT
(Continued)

Sheet 1

AC. Leak Adjustments Memorandum Account (“LAMA”)

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1. PURPOSE:

The purpose of the Leak Adjustments Memorandum account is to track revenue collection shortfalls attributable to California American Water’s customer billing adjustment program beginning February 26, 2013 and ending December 31, 2014. California American Water was granted a memorandum account in Resolution W-4951.

2. APPLICABILITY:

All customers in the Central Division

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3. ACCOUNTING PROCEDURE:

The following entries will be recorded to the memorandum account:

- a. a debit entry equal to the customer billing adjustments provided by the Company through its customer billing adjustment program.
- b. A debit or credit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90-day non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.
- c. A credit entry will be created once recovery is later determined by the Commission.

4. RATEMAKING PROCEDURE:

There is currently no ratemaking component to the memorandum account. Requests for recovery of any balance are to be processed according to General Order 96-B and Standard Practices or otherwise determined in a Commission decision. The memorandum account was closed for recording new entries on December 31, 2014.

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(Continued)

(TO BE INSERTED BY UTILITY)
Advice 1280-A
Decision

ISSUED BY
J. T. LINAM
DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)
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Resolution _____