

655 W. Broadway, Suite 1410
 San Diego, CA 92101

PRELIMINARY STATEMENT
 (Continued)

Sheet 1

AP. Central Division Leak Adjustment Balancing Account

(L)(T)

California-American Water Company requests to establish the Central Division Leak Adjustment Balancing Account (LABA).

(T)

1. PURPOSE:

In accordance with D.18-12-02, the purpose of the one-way Central Division Leak Adjustment Balancing Account is to track the difference between the \$2,370,879 authorized leak adjustments in base rates and actual leak adjustments provided, if they are less than \$2,370,879 on an annual basis.

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2. APPLICABILITY:

This is applicable to California American Water's Central Division Service Areas.

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3. ACCOUNTING PROCEDURE:

The following entries shall be recorded to the balancing account and added to the prior accumulated monthly balance:

- a. This is a one-way balancing account, whereby California American Water will refund customers through the Central Division base rates:
 - i. If California American Water provides less than \$2,370,879 in leak adjustments on an annual basis, the difference between the \$2,370,879 and the actual leak adjustments provided will be credited to the Central Division Leak Adjustment Balancing Account.
 - ii. Any amounts subject to refund will be credited to customers as determined in the district's next rate case.

4. RATEMAKING PROCEDURE:

California American Water will include the \$2,370,879 annual budget for the Balancing Account in base rates during this GRC cycle subject to refund if the actual leak adjustments incurred are less than the \$2,370,879 authorized amount.

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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.)
 Date Filed 06/22/2020
 Effective 02/10/2020
 Resolution _____