

PRELIMINARY STATEMENT  
(Continued)

Sheet 1

**BA. Sand City Desalination Plant Purchased Water Balancing Account (“SCDPPWBA”)**

(N)

**1. PURPOSE:**

The purpose of the Sand City Desalination Plant Purchased Water Balancing Account is to track Sand City Desalination Plant production costs and associated recoveries. California American Water was granted authority for the balancing account in Decision (D.) 18-12-021.

**2. APPLICABILITY:**

The Monterey Service Area which includes Monterey Main, Bishop, Hidden Hills, and Ryan Ranch.

**3. ACCOUNTING PROCEDURE:**

The authorized price per acre foot is determined as follows:

Repair Costs	\$197,379
Other O&M Costs	\$99,821
Purchased Power	\$168,765
Property Taxes	\$68,509
Total Variable Cost	\$534,474
Fixed Cost	\$414,672
Total Cost	\$949,146
Divided by AF	300
Price per AF	\$3,164

The following entries shall be recorded to the balancing account:

- a. A debit entry equal to the authorized price per acre foot above multiplied by the actual number of acre feet delivered less any amounts delivered to Moratorium Exception Tariff customers.
- b. A credit entry equal to the amount of surcharges collected to offset the costs.
- c. An annual true up entry for actual purchased power costs.
- d. 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 report in the Federal Reserve Statistical Release, H.15 or its successor.

**4. RATEMAKING PROCEDURE:**

- a. Fixed Cost: this amount shall not change for each year over the period of time water is purchased and delivered to the Monterey District for use by District customers, shall not be subject to further review, escalation, or modification, an may in no way be increased to reflect any other cost

(N)

(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 \_\_\_\_\_