

PRELIMINARY STATEMENT
(Continued)

Sheet 1

BC. Fruitridge Vista Meter Installation Memorandum Account (FVMIMA)

(L)

1. PURPOSE:

The purpose of the FVMIMA is to record the incremental Operation and Maintenance (O&M) expenses and the revenue requirement of facilities associated with meter installation in the Fruitridge Vista service area during 2020. Costs include, but are not limited to, incremental O&M expenses, meter costs, service installation and replacement costs, engineering and design costs, project management costs, and permitting costs. California American Water was granted authority to establish this account in Decision 19-12-038.

2. APPLICABILITY:

The FVMIMA shall only be used to track costs associated with meter installation costs in the Fruitridge Vista service area incurred in 2020.

3. RATEMAKING PROCEDURE:

The memorandum account currently has no rate component.

4. ACCOUNTING PROCEDURE:

Expenditure Entries:

a. A debit entry shall be made to the FVMIMA to record all incremental O&M-related costs.

Revenue Requirement Entries:

b. Debit entries will also be made for amounts equal to the revenue requirements of each capital expenditure at California American Water's authorized rate of return and related expenses (including return, income taxes, ad valorem tax, depreciation, and other taxes and fees).

Interest:

c. Interest shall accrue on the FVMIMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. EFFECTIVE DATE:

The FVMIMA shall have the effective date of February 04, 2020.

5. DISPOSITION:

Disposition of amounts recorded in the FVMIMA shall be determined through a Tier 3 advice letter filing or in California American Water's next General Rate Case application or as otherwise determined by the Commission. Upon Commission review and approval, balances shall be transferred to the appropriate district's CEBA for recovery/refund.

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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
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Resolution _____