

PRELIMINARY STATEMENT
(Continued)

Sheet 1

BF. HILLVIEW SERVICE AREA

Memorandum Accounts:

The following memorandum accounts were originally established by Hillview Water Company and are only applicable to the Hillview service area. The purpose of these accounts is to recover costs not anticipated in rates. The balance in these accounts will be recovered in rates after CPUC review and audit of the reasonableness of the costs recorded therein. The accounts are listed with the authorizing CPUC Resolution, Decision or Public Utilities Code (PU Code). Additional description can be found in the authorizing document (s)

1. Unanticipated Repair Cost Memorandum Account (URCMA), Decision 92-03-093, dated March 31, 1992.
2. Infrastructure Act Memorandum Account (IAMA), Decision 06-05-041, dated May 25, 2006 and PU Code 789. Note: This account is established to track gains on real property.
3. Water Contamination Litigation Expense Memorandum Account, Resolution W-4094, dated March 26, 1998.

Balancing Accounts:

The following balancing accounts were originally established by Hillview Water Company and are only applicable to the Hillview service area. The purpose of these accounts is to track changes in costs for the named expense category. The balance in these accounts will be recovered in rates after CPUC review and audit of the costs recorded therein. The accounts are listed with the authorizing CPUC Resolution, Decision or Public Utilities Code (PU Code).

1. CoBank Loan Repayment Balancing Account for Taxes Due on Grant Funds Received

PURPOSE: The purpose of the CoBank Loan Repayment Balancing Account is to track recovery of the balance on the loan provided for income taxes and related costs caused by the receipt of grant funds as authorized by Resolution W-5190 dated May 16, 2019.

ACCOUNTING PROCEDURE: California American Water shall use a balancing account to track revenues collected through the loan surcharge, and payments, including interest on the CoBank loan. The surcharge rates to repay the loan shall until the loan is fully paid. Changes in future surcharge rates, or refunds, shall be accomplished by advice letter subject to review and approval.

(Continued)

<p>(TO BE INSERTED BY UTILITY)</p> <p>Advice 1280-A</p> <p>Decision</p>	<p>ISSUED BY</p> <p>J. T. LINAM</p> <p>DIRECTOR - Rates & Regulatory</p>	<p>(TO BE INSERTED BY C.P.U.C.)</p> <p>Date Filed <u>06/22/2020</u></p> <p>Effective <u>02/10/2020</u></p> <p>Resolution _____</p>
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