

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

PRELIMINARY STATEMENT
 (Continued)

Sheet 1

Q. Monterey Peninsula Water Management District (“MPWMD”) Conservation Balancing Account

(L)

1. PURPOSE:

The MPWMD Conservation Balancing Account is a one-way balancing account to track conservation-related expenses, surcharges and credits connected to MPWMD’s conservation program. The balancing account shall be capped at \$899,000 for the three-year period from January 1, 2015 through December 31, 2017. California American Water was granted authority to continue this account in Decision (D.) 18-12-021.

2. APPLICABILITY:

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

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3. ACCOUNTING PROCEDURE:

The following entries shall be recorded to the balancing account:

- a. A debit entry equal to the amounts spent as part of the program.
- b. A credit entry equal to the amounts collected through surcharges.
- c. This is a one-way balancing account, whereby California American Water will refund customers through the appropriate district Consolidated Expense Balancing Account (CEBA):
 - i. Amounts that were collected as part of the authorized conservation budget, but were not spent and/or
 - ii. Amounts collected in excess of the authorized conservation budget.
 - iii. Any amounts subject to refund will be amortized after the end of the rate case period.
 - iv. 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.

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4. RATEMAKING PROCEDURE:

One-way conservation program dollars remain funded through a separate surcharge and tracked, along with related expenses, in the MPWMD Conservation Balancing Account. The dollars funded begin with the start of the rate case cycle and continue through the end of the cycle. Upon Commission review and approval, balances shall be transferred to the appropriate district CEBA’s for 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.)
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