

PRELIMINARY STATEMENT
(Continued)

Sheet 1

W. Coastal Water Project Memorandum Account

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1. PURPOSE:

The purpose of the Coastal Water Project Memorandum Account is to track costs associated with the development of a new water supply in the Monterey Service Area. California American Water was granted a memorandum account in Decision No. 03-09-022. Per Decision No. 11-09-039 interest is to accrue at 4%.

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 will be recorded to the memorandum account:

- a. A debit entry equal to the amount of costs associated with the Coastal Water Project.
- b. A credit entry equal to the amount of surcharge collected to offset the costs associated with the Coastal Water Project.
- c. 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 4%.

4. RATEMAKING PROCEDURE:

In accordance with Decision (D). 18-12-021 there is currently no ratemaking component to the memorandum account. The Special Request 1 Surcharge shall remain at the 15% level until the full amount authorized for preconstruction costs is collected.

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(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

Advice 1280-A

J. T. LINAM

Date Filed 06/22/2020

Decision

DIRECTOR - Rates & Regulatory

Effective 02/10/2020

Resolution _____