

PRELIMINARY STATEMENT  
(Continued)

Sheet 1

**X. Seaside Basin Adjudication Balancing Account**

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**1. PURPOSE:**

The purpose of the Seaside Basin Adjudication Balancing Account is to track the surcharge collections and interest associated with the unamortized balance of costs incurred to litigate and secure Seaside Basin water rights. California American Water was granted authority to continue this account in Decision (D.) 18-12-021.

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**2. APPLICABILITY:**

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

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**3. ACCOUNTING PROCEDURE:**

The following entries will be recorded to the balancing account:

- a. A credit entry equal to the amount of surcharges collected to offset the previously recorded costs.
- b. 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.

**4. RATEMAKING PROCEDURE:**

Currently there is no Ratemaking procedure for this Balancing Account. In accordance with Advice Letter 778, a meter surcharge is assessed on customers in the Monterey Main, Hidden Hills, Ryan Ranch, and Bishop areas to recover \$2,755,960 over a ten-year period. This account accrues interest at the 90-day commercial rate.

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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	<u>06/22/2020</u>
Decision		DIRECTOR - Rates & Regulatory	Effective	<u>02/10/2020</u>
			Resolution	_____