CALIFORNIA-AMERICAN WATER COMPANY

San Diego, CA 92101

655 W. Broadway, Suite 1410

Revised Cancelling Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. 10625-W 10592-W

# PRELIMINARY STATEMENT (Continued)

Sheet 1

### The Memorandum Account for Environmental Improvements and Compliance Issues for AH. Acquisitions.

#### **PURPOSE:** 1.

The purpose of the account is to track costs associated with required improvements related to environmental and compliance issues in the Dunnigan, Geyserville, Meadowbrook, Rio Plaza, Fruitridge Vista, Hillview, East Pasadena, Piru (Warring), and Bellflower service territories. Example of such costs include, but are not limited to, nitrate mitigation, installation of geosynthetic liners, repair of a cracked surface seal on the main well, construction of a back-up well and back-up electrical power source to maintain minimum pressure in the event of failure in grid power. This account excluded costs related to hexavalent chromium mitigation since there is a separate memorandum account for those costs.

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#### APPLICABILITY: 2.

California American Water's East Pasadena Service Areas; Hillview Service Areas; Fruitridge Vista Service Areas; Sacramento Service Area - Dunnigan, Geyserville, and Meadowbrook Service Areas; Los Angeles County District – Rio Plaza, in the City of Oxnard, Bellflower, Piru (Warring), Ventura County

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### 3. ACCOUNTING PROCEDURE:

- a. A debit entry will be created to capture costs associated with the account.
- 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.
- c. A credit entry will be made to transfer the balances to the appropriate district Consolidated Expense Balancing Account's ("CEBA") upon Commission approval.

## 4. RATEMAKING PROCEDURE:

There is currently no ratemaking component to the memorandum account. Requests for recovery of any balance are to be processed according to General Order 96-B and Standard Practices or otherwise determined in a Commission decision. Upon Commission review and approval, balances shall be transferred to the appropriate District CEBA(s) for recovery/fund.

(Continued)

(TO BE INSERTED BY UTILITY) ISSUED BY (TO BE INSERTED BY C.P.U.C.) 11/03/2022 Advice 1390 J. T. LINAM Date Filed **DIRECTOR** - Rates & Regulatory 11/03/2022 Decision Effective Resolution