

Preliminary Statement  
(continued)

AP. General District Balancing Accounts (District BAs)

(N)

1. PURPOSE:

The purpose of the General District Balancing Accounts ("District BAs") is to aggregate small residual dollar amounts for subsequent amortization at the ratemaking area ("district") level.

2. APPLICABILITY:

Each district will have a "General District Balancing Account."

3. ACCOUNTING PROCEDURE:

There is no rate component for the District BAs. The following entries may be made to the general district balancing accounts:

- a. For accounts for which the Commission has authorized a fixed period of amortization, a debit or credit entry equal to the remaining balance that results from under- or over-amortization;
- b. A monthly debit or credit entry equal to the average balance in each segment of the account multiplied by 1/12th of the most recent month's interest rate on Commercial Paper (prime, 90-day) published in the Federal Reserve Statistical Release H-15.

3. DISPOSITION:

A District BA may be recoverable or refundable in a Tier 2 advice letter filing if the accumulated balance exceeds 2% of gross adopted annual revenues for Cal Water in accordance with General Order 96-B and standard practices or by request in the next general rate case.

(N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 2139

PAUL G. TOWNSLEY

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