

Preliminary Statement BH

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BH. Purchased Water Incremental Cost Balancing Account (ICBA)

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1. PURPOSE:

The purpose of this incremental cost balancing account is to record each month the difference between the cost of purchased water and the adopted cost reflected in rates, so that these differences can be trued-up through rates subsequent to CPUC review and approval.

2. APPLICABILITY:

The Purchased Water ICBA applies to all areas served by Cal Water purchasing treated potable water, surface water and recycled water (collectively “purchased water”).

3. ACCOUNTING PROCEDURE:

Each month, Cal Water will make the following entries to update the balance in this account:

a. Expense Component (debit entry):

- i. the recorded production multiplied by adopted water mix that is subject to purchased water (AF) multiplied by the difference between the adopted variable purchased water price (AF) in rates and the current variable purchased water prices (\$AF), plus or minus any necessary expense adjustments.
- ii. The difference between the adopted fixed costs in rates and the current fixed costs, to be recorded in the month that the cost is invoiced.

b. Revenue Component (credit entry): the recorded purchased water ICBA surcharges collected from all customers, plus or minus any necessary revenue adjustments.

c. Interest (debit or credit entry): interest shall accrue monthly by applying one-twelfth of the Federal Reserve 3-month Commercial Paper Rate - non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to the average monthly balance.

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(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2515</u>	<u>Greg Milleman</u>	Date Filed _____
Decision <u>24-03-042</u>	<u>Vice President</u>	Effective _____
	<u>Rates and Regulatory Affairs</u>	Resolution _____

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4. AMORTIZATIONS:

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a. The balance in the balancing account may be amortized by a Tier 1 advice letter annually or requested in a General Rate Case (GRC).

5. The balancing account will terminate when so ordered by the Commission, at which time any remaining debt (undercollection) or credit (overcollection) balance will be amortized through a rate surcharge or surcredit, or transferred to the General District Balancing Accounts.

6. Adopted Purchased Water Cost Price (AF) by area:

Area	Type	Wholesaler	Fixed	Variable (\$/AF)
Antelope Valley	Potable	East Kern Water Agency		\$752.00
Bakersfield	Potable	Kern County Water Agency	\$7,109,331	\$195.00
Bakersfield	Surface	City of Bakersfield		\$116.05
Bayshore	Potable	SFPUC	\$4,672,942	\$2,269.48
Bear Gulch	Potable	SFPUC	\$2,285,465	\$2,269.48
Dominguez	Potable	West Basin Municipal District (Tier 1)	\$1,299,567	\$1,677.00
Dominguez	Potable	West Basin Municipal District (Desalter)		\$1,243.00
Dominguez	Potable	City of Torrance	\$15,078	\$1,325.09
Dominguez	Recycled	West Basin Municipal District (Reverse Osmosis)		\$1,662.00
Dominguez	Recycled	West Basin Municipal District (Nitrified)		\$1,414.00
Dominguez	Recycled	West Basin Municipal District (Title 22 Tier 1)		\$1,649.00
Dominguez	Recycled	West Basin Municipal District (Title 22 Tier 2)		\$1,639.00
Dominguez	Recycled	West Basin Municipal District (Title 22 Tier 3)		\$1,629.00

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6. Adopted Purchased Water Cost Price (AF) by area: (continued)

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Area	Type	Wholesaler	Fixed	Variable (\$/AF)
East Los Angeles	Potable	Central Basin Municipal Water District (Tier 1)	\$271,379	\$1,426.00
East Los Angeles	Recycled	Central Basin Municipal Water District		\$790.00
Hermosa Redondo	Potable	West Basin Municipal District (Tier 1)	\$806,472	\$1,677.00
Hermosa Redondo	Recycled	West Basin Municipal District		\$1,649.00
Kern River Valley	Potable	City of Bakersfield		\$116.05
Livermore	Potable	Alameda County	\$5,707,683	\$1,019.30
Los Altos	Potable	Santa Clara Valley Water District		\$2,089.00
Los Altos	Potable	San Jose Water	\$4,302	\$2,839.85
Los Altos	Potable	Santa Clara Valley Water District Non-Contract		\$2,174.00
Los Altos	Recycled	Santa Clara Valley Water District		\$1,811.00
Oroville	Surface	County of Butte & PG&E	\$246,145	
Palos Verdes	Potable	West Basin Municipal District (Tier 1)	\$1,401,875	\$1,677.00
Palos Verdes	Recycled	West Basin Municipal District		\$1,649.00
RDV – Lucerne	Surface	Yolo County Flood Control & Water Conservation District		\$69.24
RDV - Unified	Potable	Sweetwater Springs Water District	\$19,283	\$1,345.25
Stockton	Potable	Stockton East	\$19,383,163	
Westlake	Potable	Calleguas Municipal Water District	\$1,770,031	\$1,730.00
Westlake	Recycled	Triunfo Water & Sanitation District		\$1,384.00

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