

PRELIMINARY STATEMENT
(Continued)

Sheet 1

AT. Rio Plaza Groundwater Management Memorandum Account (T)

1. PURPOSE:

The purpose of this memorandum account is to recover the cost associated with Fox Canyon Groundwater Management Agency (GMA) Ordinance Code restricting the quantities pumped and surcharging production in excess of those amounts or the purchase of in lieu water to avoid the payment of the surcharges. The authority to establish this account was granted by Commission Decision No 94-06-033, June 22, 1994.

2. APPLICABILITY:

Applicable to the Rio Plaza Service Area of the Los Angeles District of California American Water.

3. ACCOUNTING PROCEDURE:

California American Water may maintain a memorandum account for its expenses and other recovery/reimbursements in connection with the GMA Ordinance Code. These expenses must be additional or incremental to those allowed in California American Water last general rate case proceeding. California American Water shall make entries to this account at the end of each month as follows:

- a. Debit entries equal to the incremental or additional amounts recorded in California American Water administrative and general expense accounts that were incurred as a result of the exceeding their production under the terms of the GMA Ordinance Code.
- b. Credit or Debit entries equal to the average balances in the memorandum account in accordance with the 90-day commercial paper rate.
- c. Credit entries equal to the proceeds received by California American Water from customer billings authorized by the Commission.

In addition, the water utility shall file an advice letter to the Commission detailing the charges to this account for cost recovery from the customers. Recovery of a memorandum account requires full justification of all expenses and a recorded earnings test for the calendar period during which the expense was incurred. Recovery of memorandum accounts should be spread across all utility service that have benefitted from the actions that resulted from the money spent and booked to the memorandum account.

4. RATEMAKING PROCEDURE:

There is currently no ratemaking component to this memorandum account.

(Continued)

<p>(TO BE INSERTED BY UTILITY)</p> <p>Advice 1353</p> <p>Decision</p>	<p>ISSUED BY</p> <p>J. T. LINAM</p> <p>DIRECTOR - Rates & Regulatory</p>	<p>(TO BE INSERTED BY C.P.U.C.)</p> <p>Date Filed <u>12/23/2021</u></p> <p>Effective <u>03/04/2022</u></p> <p>Resolution _____</p>
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