AZ. Monterey Wastewater Purchased Power Balancing Account

1. PURPOSE:

The purpose of the Purchased Power Balancing Account is to track the differences in the expense based upon changes in recorded unit prices versus adopted. Monterey Wastewater does not have an MCBA but does have an incremental cost balancing account (ICBA) for purchased power. The ICBA captures the difference between the authorized price and actual price charged. The key distinction between the two mechanisms is the ICBA only tracks price differentials and the MCBA tracks both the price and the quantity differentials. California American Water was granted authority to maintain this balancing account in Decision (D.) 21-11-018. (T) (T)

2. APPLICABILITY

All Monterey Wastewater Customers.

3. ACCOUNTING PROCEDURE:

The following entries shall be recorded to the memorandum account:

a. A debit entry will be created each month to record expenses 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 commercial paper, as reported in the Federal Reserve Statistical, H. 15 its successor.

c. A credit entry will be made to transfer the balances to the appropriate district Consolidated Expense Balancing Account (CEBA) upon Commission approval.

4. RATEMAKING PROCEDURE:

There is currently no ratemaking component to the balancing account.

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