

PRELIMINARY STATEMENT  
(Continued)

Sheet 1

**AE. Credit Card Fee Memorandum Account**

**1. PURPOSE:**

In accordance with Decision (D.) 18-12-021 Credit Card Fee Memorandum Account (CCFMA) is to track the fees that have been waived as well as the cost savings that result from the use of a credit card compared to the costs associated with bank fees and lock box fees.

**2. APPLICABILITY:**

Applicable to all non-low-income customers served by California American Water. In accordance with AB 1180 the costs of the pilot program are not applicable to low-income customers.

**3. ACCOUNTING PROCEDURE:**

- a. The following entries will be recorded monthly in the CCFMA:
  - 1. Debit the CCFMA for costs associated with implementing the pilot program, using the appropriate WBS element
  - 2. Debit the CCFMA for the costs of the waived transaction fees for utilizing bill payment options, including but not limited to credit card, debit card, and prepaid card bill payment options, using the appropriate WBS elements
  - 3. The decision states that cost savings from this program will also be included in and reduce this account balance. Under the pilot program the Company will track types of billing and payment used, volume of customer shut-off notices and shut-offs, and lockbox payments at a minimum. The Company will work through quantifying these cost savings.
  - 4. The CCFMA will accrue interest at the 90-day commercial paper rate
  - 5. The CCFMA will be recorded by district
  - 6. The duration of the pilot program is limited to the Company's current rate case cycle, which ends on 12/31/2020.
  - 7. The estimated amount of the deferral through 12/31/2020 is less than \$100,000
  - 8. The program is anticipated to begin in 2019

**4. RATEMAKING PROCEDURE:**

There is currently no ratemaking component to this memorandum account.

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1353  
Decision

ISSUED BY

J. T. LINAM  
DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)

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Resolution \_\_\_\_\_