

PRELIMINARY STATEMENT
(Continued)

Sheet 1

AU. Rio Plaza Transaction Memorandum Account

California-American Water Company request to establish a Rio Plaza Transaction Memorandum Account.

1. PURPOSE:

The purpose of this advice letter filing is to request the Rio Plaza Transaction Memorandum Account to track all costs resulting from the purchase of Rio Plaza Water Company, Inc. Examples of such costs include, but are not limited to, outside legal expenses, engineering, surveying, the appraisal, and other professional activities necessary to complete the transaction, including costs associated with the noticing of customers.

2. APPLICABILITY:

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

3. ACCOUNTING PROCEDURE:

California-American Water Company shall maintain the Rio Plaza Transaction Memo Account by making entries at the end of each month as follows:

- a. A debit entry will be created to capture costs 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 non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or 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.

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4. RATEMAKING PROCEDURE:

There is currently no ratemaking component to the memorandum account. Requests for recovery of any balance are to be processed according to General Order 96-B and Standard Practices or otherwise determined in a Commission decision. Upon Commission review and approval, balances shall be transferred to the appropriate district CEBA(s) for recovery/refund.

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