L. Consolidated Expense Balancing Account ("CEBA")

1. PURPOSE:

The purpose of the Consolidated Expense Balancing Account is to consolidate the amortization of Commission approved balancing and memorandum accounts where appropriate. California American Water was granted authority to continue this balancing account in Decision (D.) 21-11-018. (T)

2. APPLICABILITY:

Applicable all service areas served by California American Water, excluding Chualar and Rio Plaza. (C)

3. ACCOUNTING PROCEDURE:

The following entries will be recorded to the CEBA:

a. Authorized balancing or memorandum account under collections will be credited from the current account and debited to the CEBA.

b. Authorized balancing or memorandum account over collections will be debited from the current account and credited to the CEBA.

c. Any surcharge collections will be applied as a credit to the overall balance.

d. Any surcredits will be applied as a debit to the overall balance.

e. 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 Release, H.15 or its successor.

4. RATEMAKING PROCEDURE:

The CEBA is recoverable through a Tier 1 advice letter filing. If the net CEBA balance after incremental transfers is under collected, the account will be amortized by applying a uniform volumetric surcharge. If the net CEBA balance after incremental transfers is over collected, the net over collection shall be amortized and credited to the service charge of all customers, based upon the meter equivalent size of the service connection.

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