BU. Warring Transaction Memorandum Account (WTMA) (N)

1. PURPOSE:

The purpose of the WTMA is to record and track transactional costs associated with the purchase of Warring Water Service, Inc. Examples of such costs include but are not limited to expenses for: outside legal services, engineering, surveying, the appraisal, customer noticing,and other professional activities necessary to complete the transaction. Decision 22-08-005 granted California American Water authority to establish the WTMA.

2. APPLICABILITY:

California American Water's Piru (Warring) Service Area in Ventura County.

3. ACCOUNTING PROCEDURE:

California-American Water shall maintain the WTMA by making entries at the end of each month as follows:

a. A debit entry will be created to capture transaction costs associated with the acquisition of Warring Water Service, Inc.

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 it successor.

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

4. RATEMAKING PROCEDURE:

The memorandum account currently has no rate component.

5. DISPOSITION:

Disposition of amounts recorded in the WTMA shall be determined through a Tier 3 advice letter filing or in California American Water's next General Rate Case application or as otherwise determined by the Commission. Upon Commission review and approval, balances shall be transferred to the appropriate district's CEBA for recovery/refund. (N)

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