

PRELIMINARY STATEMENT

Sheet 1

BW. Hillview State Revolving Fund (HSRF) Balancing Account

(N)

1. PURPOSE:

The purpose of the HSRF Balancing Account is to track recovery of the balance on the HSRF loan provided under the American Recovery and Reinvestment Act of HSRF projects authorized by D.02-11-015, dated November 7, 2002.

2. APPLICABILITY:

Applicable to the Hillview Service Area within the Northern Division.

3. ACCOUNTING PROCEDURE:

California American Water shall use a balancing account to track revenues collected through the SRF surcharge, and payments, including interest, on the HSRF loan.

The surcharge rates to repay the loan shall last until the loan is fully paid.

- a. A credit entry will be made to a regulatory liability account for surcharges collected.
- b. A debit entry will be made in the same account for payments on the loan.
- c. 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:

(N)

The cost of the capital improvements financed through the surcharge shall be excluded from rate base of ratemaking purposes. Changes in future surcharge rates, or refunds, shall be accomplished by advice letter subject to review and approval.

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1423

S. W. OWENS

Date Filed 09/27/2023

Decision

DIRECTOR - Rates & Regulatory

Effective 10/27/2023

Resolution _____