

Preliminary Statement BR

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BR. AMI Implementation Memorandum Account (AMI MA)

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1. PURPOSE: The purpose of the Advanced Metering Infrastructure (AMI) Implementation Memorandum Account is to track the deferred AMI costs and savings forecast for 2026 and 2027 in the 2024 General Rate Case.
2. APPLICABILITY: The AMI MA is effective beginning January 1, 2026, and applies to the Bay Area Region, Bear Gulch, Los Altos, Los Angeles County Region, and Westlake ratemaking areas as well as Customer Support Services (General Office).
3. ACCOUNTING PROCEDURE: Cal Water shall track for future disposition the following entries:
  - a. Incremental capital expenditures above the amounts authorized in rates up to the forecasted total budget for each ratemaking area as provided in Section 5, below.
  - b. Amounts equal to the revenue requirement from the incremental capital expenditures (including return on investment, income taxes, ad valorem tax, depreciation, other taxes and fees).
  - c. Incremental operating costs to implement AMI that exceed amounts recovered in rates up to the forecasted expenses for each ratemaking area (as identified in Exhibit CWS-03 (Testimony Book #3), Attachment G-1 ("Attachment G-1")).<sup>1</sup>
  - d. Savings associated with implementing AMI that were not included in rates for each ratemaking area (as identified in Attachment G-1).
  - e. Interest shall accrue to the account by applying a rate equal to 1/12th of the most recent month's non-financial Commercial Paper Rate (prime, 90-day), as published in the Federal Reserve Statistical Release H-15 or its successor, to the average balance for each month.
4. DISPOSITION: Requests for recovery of any balance are subject to a reasonableness review in a General Rate Case, or in an appropriate advice letter filing consistent with General Order 96-B and Standard Practices, and must include a demonstration that the costs were prudently incurred, the completed project is used and useful, and the system is correctly reading meters and generating accurate customer billings, consistent with Ordering Paragraph 8 of D.26-04-045.

<sup>1</sup> <https://docs.cpuc.ca.gov/PublishedDocs/SupDoc/A2407003/7734/540719750.pdf>

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|-----------------------------|------------------|-------------------------------------|--------------------------|-------|
| Advice Letter               | <u>2588-A</u>    | <u>Greg Milleman</u>                | Date Filed               | _____ |
| Decision                    | <u>26-04-045</u> | <u>Vice President</u>               | Effective                | _____ |
|                             |                  | <u>Rates and Regulatory Affairs</u> | Resolution               | _____ |

**CALIFORNIA WATER SERVICE COMPANY**

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Original

Cal. P.U.C. Sheet No. XXXXX-W

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## 5. CAPITAL BUDGET FORECAST:

| Project ID | Area             | Year | Description                    | In Rates      | Track in<br>Memo Account |
|------------|------------------|------|--------------------------------|---------------|--------------------------|
| 00133646   | CSS (GO)         | 2026 | AMI IT Development/Integration | \$ 698,916    | \$ 698,916               |
| 00133598   | LA County Region | 2026 | RDOM Vehicles and Equipment    | \$ 254,526    | \$ 254,526               |
| 00133620   | LA County Region | 2027 | AV 2027 AMI Meter/Endpoints    | \$ 117,099    | \$ 102,534               |
| 00133629   | LA County Region | 2027 | PV 2027 AMI Meter/Endpoints    | \$ 3,384,112  | \$ 2,897,017             |
| 00133599   | Bay Area Region  | 2026 | BSH Vehicles and Equipment     | \$ 476,677    | \$ 476,677               |
| 00133627   | Bay Area Region  | 2027 | MPS 2027 AMI Meter/Endpoints   | \$ 4,819,073  | \$ 4,370,090             |
| 00133634   | Bay Area Region  | 2027 | SSF 2027 AMI Meter/Endpoints   | \$ 2,259,615  | \$ 2,036,813             |
| 00133632   | Bay Area Region  | 2027 | RDV 2027 AMI Meter/Endpoints   | \$ 248,750    | \$ 248,750               |
| 00133593   | Bear Gulch       | 2026 | BG Vehicles and Equipment      | \$ 254,526    | \$ 254,526               |
| 00133622   | Bear Gulch       | 2027 | BG 2027 AMI Meter/Endpoints    | \$ 2,712,532  | \$ 2,396,590             |
| 00133597   | Los Altos        | 2026 | LAS Vehicles and Equipment     | \$ 215,515    | \$ 215,515               |
| 00133625   | Los Altos        | 2027 | LAS 2027 AMI Meter/Endpoints   | \$ 2,613,784  | \$ 2,325,911             |
| 00133601   | Westlake         | 2026 | WLK Vehicles and Equipment     | \$ 137,492    | \$ 137,492               |
| 00133610   | Westlake         | 2027 | WLK 2027 AMI Meter/Endpoints   | \$ 1,152,240  | \$ 1,036,213             |
| Total      |                  |      |                                | \$ 19,344,856 | \$ 17,451,567            |

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(To be inserted by utility)

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Greg MillemanVice PresidentRates and Regulatory Affairs

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Resolution \_\_\_\_\_