

Preliminary Statement BF

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BF. Drinking Water Fees Balancing Account (DWFBA)

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1. Purpose

The purpose of the Drinking Water Fees Balancing Account (DWFBA) is to track the difference between all actual fees charged by the State Water Resources Control Board (State Water Board) and the State Water Board fees authorized in rates.

2. Applicability

The DWFBA is applicable to all regulated ratemaking areas.

3. Accounting Procedures

- a) The DWFBA will track the difference between the annual drinking water fees charged by the State Water Board and the drinking water fees authorized in rates.
- b) Monthly interest expense will be calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 90-day) published in the Federal Reserve Statistical Release.

4. Disposition

The DWFBA is subject to Ordering Paragraph 3 of D. 06-04-037, which states:

Class A water utilities shall report on the status of their balancing accounts in their general rate cases and shall propose adjustments to their rates in that context to amortize under- or over-collections in those accounts subject to reasonableness review. They also may propose such rate adjustments by advice letter at any time that the under- or over-collection in any such account exceeds two percent (2%) of annual revenues for the utility or a ratemaking district of the utility.

5. Effective Date

The DWFBA will be made effective on the effective date of AL 2438, December 16, 2021.

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<small>(To be inserted by utility)</small>	<small>Issued By</small>	<small>(To be inserted by CPUC)</small>
Advice Letter <u>2497-A</u>	<u>Greg Milleman</u>	Date Filed <u>11/30/2023</u>
Decision	<u>Vice President</u>	Effective <u>12/16/2021</u>
	<u>Rates and Regulatory Affairs</u>	Resolution _____