

Preliminary Statement BJ

BJ. Purchased Power Incremental Cost Balancing Account (ICBA)

(N)

1. PURPOSE:

The purpose of this incremental cost balancing account is to record each month the difference between the cost of purchased power and the adopted cost reflected in rates, so that these differences can be trued-up through rates subsequent to CPUC review and approval.

2. APPLICABILITY:

The ICBA applies to all areas served by Cal Water purchasing power to produce and deliver water.

3. ACCOUNTING PROCEDURE:

Each year, Cal Water will make the following entries to update the balance in this account:

- a. Expense Component (debit entry): the annual recorded quantity of purchased power (KwH) multiplied by the difference between the annual adopted purchased power price (\$/kWh) in rates and the recorded annual purchased power prices (\$/kWh), plus or minus any necessary expense adjustments.
- b. Revenue Component (credit entry): the recorded purchased power ICBA surcharges collected from all customers, plus or minus any necessary revenue adjustments.
- c. Interest (debit or credit entry): interest shall accrue monthly by applying one-twelfth of the Federal Reserve 3-month Commercial Paper Rate - non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to one-twelfth of annual balance.

4. AMORTIZATIONS:

- a. The balance in the balancing account may be amortized by a Tier 1 advice letter annually or requested in a General Rate Case (GRC).

5. The balancing account will terminate when so ordered by the Commission, at which time any remaining debt (undercollection) or credit (overcollection) balance will be amortized through a rate surcharge or surcredit, or transferred to the General District Balancing Accounts.

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(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2515</u>	<u>Greg Milleman</u>	Date Filed _____
Decision <u>24-03-042</u>	<u>Vice President</u>	Effective _____
	<u>Rates and Regulatory Affairs</u>	Resolution _____

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6. Adopted Purchased Power Costs (\$/KwH) by rate area:

(N)

Rate Area	Unit Cost (\$/KwH)
Bakersfield	\$0.31
Bay Area Region	\$0.35
Bear Gulch	\$0.31
Dixon	\$0.39
East Los Angeles	\$0.17
Kern River Valley	\$0.24
Livermore	\$0.31
Los Altos	\$0.34
Los Angeles County Region	\$0.26
Marysville	\$0.37
North Valley Region	\$0.33
Salinas Valley Region	\$0.27
Selma	\$0.33
South Bay Region	\$0.18
Stockton	\$0.44
Visalia	\$0.15
Westlake	\$0.27
Willows	\$0.35

Authorization: Public Utilities Code Section 792.5

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