

Preliminary Statement

- I. Monterey-Water Revenue Adjustment Mechanism Balancing Account (M-WRAM)** (N)
1. **Purpose**
The purpose of this balancing account is to track the quantity rate revenues recorded under each residential tiered rates schedule against the revenues that would have been recorded under a single quantity rate.
 2. **Applicability**
The M-WRAM Balancing Account is applicable to the Region 1 Northern District (Arden Cordova and Clearlake), Bay Point, Los Osos, Santa Maria, Simi Valley, Region 2 and Region 3 ratemaking areas.
 3. **Accounting Procedure**
The following entries will be made monthly to the M-WRAM Balancing Account in all applicable ratemaking areas:
 - a. The recorded revenues recorded through the tiered quantity rates under each ratemaking area's tiered Residential Meter Service rate schedule (debit).
 - b. The calculated revenues that would have been recorded under a single quantity rate for the same water usage as in 3a above (credit).
 - c. Total net M-WRAM balance = 3b minus 3a.
 - d. A negative (-) balance in the balancing account reflects a utility over collection to be refunded, while a positive balance reflects a utility under-collection to be recovered through the implementation of surcharges.
 - e. GSWC shall record the accumulated M-WRAM Balance monthly, by adding its entry in section 3c to the prior accumulated month balance.
 - f. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3- month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and end-of balances.
 4. **Effective Date**
The M-WRAM Balancing Account is effective January 1, 2025.
 5. **Disposition**
The balance in the M-WRAM Balancing Account may be amortized by Tier 1 advice letter annually or requested through a General Rate Case. Recovery of under-collections will be passed through as a surcharge on volumetric charges; over-collections will be passed through as surcredits on the monthly service charges.

(Continued)

(To be inserted by utility)	<i>Issued By</i>	(To be inserted by P.U.C.)
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