

Preliminary Statement  
Crescent Bay Unanticipated Repair Cost Memorandum Account

**TTTT. CRESCENT BAY UNANTICIPATED REPAIR COST MEMORANDUM ACCOUNT**

(N)

**PURPOSE:** The purpose of the Crescent Bay Unanticipated Repair Costs Memorandum Account ("URCMA") is to track unexpected expenses in the Crescent Bay Water System that are not already in rates.

General Information. Upon acquisition of the Crescent Bay Water System, an Inadequately Operated and Maintained Small Water Utility, GSWC shall record in the URCMA expenses to repair any failed facilities detrimental to the safe operations and delivery of potable water to the customers served by the Crescent Bay Water System. The repairs shall be deemed crucial to the operation of the water system, including but not limited to, failed water pumps and leak repairs.

Note: No construction expenditures will be recorded in the URCMA.

**1. Accounting Procedure**

The URCMA does not have a rate component.

Expenditure Entries

a. A monthly debit entry shall be made to the URCMA to record expenses, which are not already in rates, that are detrimental to the safe operations and delivery of potable water to the customers served by the Crescent Bay Water System.

Interest

b. Interest shall accrue on the URCMA on monthly, 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 the end-of month balances.

**2. Effective Date**

The URCMA shall have the effective date of July 14, 2023.

**3. Disposition of URCMA Balance**

Disposition of amounts recorded in the URCMA shall be determined in GSWC's next General Rate Case application or by as otherwise determined by the Commission, if the account's cumulative balance exceeds 2% of GSWC's adopted gross revenues.

(N)

(To be inserted by utility)

Advice Letter No. 1905-W  
Decision No. \_\_\_\_\_

*Issued By*  
**R. J. Sprowls**  
*President*

(To be inserted by P.U.C.)

Date Filed July 14, 2023  
Effective July 14, 2023  
Resolution No. W-5264