

2023 General Rate Case Capital Memorandum Account
Preliminary Statement

YYYY. 2023 GRC Capital Memorandum Account

(N)

1. Purpose

The purpose of the 2023 GRC Capital Memorandum Account (2023GRCCAPMA) is to record and recover (i) accrued Interest During Construction (IDC) at the adopted Cost of Debt until the applicable capital projects are placed in service, and (ii) the full rate of return and all applicable components of the revenue requirement after the assets are placed in service, which will include the Allowance for Funds Used During Construction (AFUDC) at the full adopted rate of return and, among other things, other capital related expenses (e.g., property taxes, federal and state income taxes and depreciation, etc.). This is applicable to the capital projects, for investments made after December 31, 2022, as authorized by the Commission in Decision No. 25-01-036 in Application No. 23-08-010.

2. Applicability

GSWC shall maintain the 2023GRCCAPMA by making entries at the end of each month as follows:

- a. A debit entry equal to GSWC's incremental capital-related costs incurred for the capital project.

Capital-related costs include (i) accrued IDC at the adopted cost of debt during the construction period, and (ii) AFUDC at the full adopted rate of return and other applicable components of the revenue requirement including capital related expenses (property taxes, federal and state income taxes and depreciation, etc.) after the project is in service.

- b. Interest shall accrue to the 2023GRCCAPMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial 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.

3. Effective Date

The 2023GRCCAPMA shall have an effective date of January 1, 2023.

4. Disposition

At the time GSWC files its attrition year filings for Years 2026 and 2027, the completed assets and the associated amounts in the 2023GRCCAPMA will be added to the adopted rate base for that respective year.

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(Continued)

(To be inserted by utility)

Advice Letter No. 1957-W
Decision No. 25-01-036

Issued By
R. J. Sprowls
President

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

Date Filed January 31, 2025
Effective January 1, 2023
Resolution No. _____