

Preliminary Statement
(continued)

H. Low-Income Ratepayer Assistance (LIRA) Memorandum Account

1. Purpose: The purpose of this memorandum account is to track the LIRA program costs and credits against the LIRA surcharge revenues collected.
2. The following entries will be made monthly to the LIRA memorandum account:
 - a) Recorded LIRA credits for service provided under Schedule No. LIRA (debit);
 - b) Incremental costs for the LIRA program, which have not been reflected in authorized rates (debit);
 - c) Recorded surcharge revenues collected from non-qualifying customers (credit);
 - d) Franchise fees and uncollectible account expense, based on a) and c) above and the adopted rates for franchise fees and uncollectible accounts expense (debit or credit);
 - e) Monthly interest expense 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 (debit or credit).
3. Adjustments to the LIRA credits and surcharges will be addressed in general rate cases that include Cal Water's general office operations.

(To be inserted by utility)

Advice Letter No. 1802

Decision No. 06-11-053

Issued by

FRANCIS S. FERRARO

NAME

Vice President

TITLE

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

Date Filed DEC 15 2006

Effective DEC 20 2006

Resolution No. _____