

CALIFORNIA WATER SERVICE COMPANY  
1720 North First Street, San Jose, CA 95112  
(408) 367-8200

New

CPUC Sheet No. 12152-W

CPUC Sheet No. Original

Preliminary Statement  
(continued)

**AY. Public Safety Power Shut-Off Memorandum Account (PSPS MA)**

( N )

1. PURPOSE: The purpose of the memorandum account is to track the incremental Operations and Maintenance expenses and carrying costs for new facilities, that are costs not already reflected in authorized rates, to address public safety needs in the event a proposed or declared Public Safety Power Shut-Off by an energy utility, including advance preparation costs.
2. APPLICABILITY: The PSPS MA may be applicable to all regulated operations and ratemaking areas of Cal Water. A request for recovery of amounts in this account will identify the proposed ratemaking areas from which recovery is being sought.

The PSPS MA shall include, but will not be limited to:

- a. Costs to evaluate potential system impacts from additional requirements.
- b. Project management costs
- c. Equipment costs (e.g. purchased or leased generators, cabling, other electrical equipment)
- d. Contractor costs for equipment installation
- e. New facilities used to supply water in a power loss event
- f. Operations and maintenance costs

The PSPS MA shall only be used to track costs associated with potential and declared Public Safety Power Shut-off events. Costs that are duplicative or requested in a general rate case shall not be recorded.

3. RATES: The memorandum account currently has no rate component.
4. ACCOUNTING PROCEDURE: The entries made to the memorandum account may include the following:

These entries are not cumulative and are tracked in order to preserve the range of potential regulatory outcomes the Commission may elect if recovery is granted.

Expenditure Entries

- a. Cal Water shall track all PSPS MA related costs including but not limited to, the cost of engineering and design, permitting, equipment, installation, outside contractors, administrative support, compliance review, verification and inspection, operations and maintenance costs.

Revenue Requirement Entries

- b. Amounts equal to the revenue requirement of each capital expenditure as if it were shareholder-funded (including return on investment, income taxes, ad valorem tax, depreciation, other taxes and fees).

( N )

(continued)

(To be inserted by utility)

Advice Letter No. 2342-A  
Decision No.

Issued by

GREG A. MILLEMAN  
Name  
Vice President  
Title

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

Date Filed 11/21/2019  
Effective 06/11/2019  
Resolution No.

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(continued)

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( N )

Interest

- c. Interest calculated based on the average balance in each segment of the account multiplied by 1/12th of the most recent month's interest rate on Commercial Paper (prime, 90-day), published in Federal Reserve Statistical Release H-15.

5. EFFECTIVE DATE:

The PSPS MA shall have the effective date between June 11, 2019 and the implementation of new rates authorized in Cal Water's next General Rate Case filing.

6. REGULATORY PROCEDURE:

Requests for recovery of any balance in the memorandum account shall be made in a general rate case, separate application, or as otherwise determined by the Commission. Requests for recovery shall include a showing that the costs requested for recovery are reasonable and not included in rates.

( N )

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