

Preliminary Statement

Page 1

BA. Polyfluoroalkyl Substances (PFAS) Memorandum Account

(N)

1. Purpose

The purpose of the Polyfluoroalkyl Substances Memorandum Account (PFAS MA) is to track incremental expenses that are not otherwise covered in Cal Water's revenue requirement in order to comply with the regulatory standards set by the State Water Resources Control Board to detect, monitor, report, and remediate per- and polyfluoroalkyl substances ("PFAS") (such as perfluorooctanoic (PFOA) and perfluorooctanesulfonic acid (PFOS)) in drinking water.

2. Applicability

The entries in the PFAS MA may include the following:

- a. Costs for laboratory testing and monitoring, chemical and operating costs for treatment, customer / public notifications, special studies related to treatment options, and alternate water sources.
- b. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Disposition

Prior to recovery, charges made to the PFAS MA are subject to a reasonableness review.

4. Effective Date

The PFAS MA shall go into effect on March 4, 2020.

(N)

(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2376-A</u>	<u>Greg A. Milleman</u>	Date Filed <u>08/27/2020</u>
Decision	<u>Vice President</u>	Effective <u>03/04/2020</u>
		Resolution <u>W-5226</u>