

Preliminary Statement
Public Safety Power Shut-offs
Memorandum Account

KKKK. Public Safety Power Shut-Offs Memorandum Account (PSPSMA)

(N)

1. **PURPOSE**

The purpose of the PSPSMA is to record the incremental Operation and Maintenance (O&M) expenses and carrying costs of the new facilities costs, that are not otherwise covered in GSWC's revenue requirement, to address public safety needs in the event of a proposed or declared Public Safety Power Shut-off (PSPS) event by any of the electric utilities that provide electric service to GSWC's ratemaking areas, including advanced preparation costs.

2. **APPLICABILITY**

Incremental O&M costs GSWC expect to incur include, but are not limited to the following:

- Purchased fuel for generators;
- Service contracts for generator maintenance, inspection and repair

Incremental plant investment GSWC expects to make include, but are not limited to the following:

- Generator costs;
- Automatic transfer switch costs;
- SCADA integration costs (i.e. programming to incorporate generator into SCADA system for remote monitoring and data acquisition);
- Equipment installation costs;
- Generator site preparation costs (i.e. cabling, hook ups, electrical box panel switches, and ancillary equipment to properly operate generators);
- Engineering and design costs;
- Project Management costs;
- Permitting costs

The PSPSMA 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. **ACCOUNTING PROCEDURE**

The PSPSMA does not have a rate component.

Expenditure Entries

- a. A debit entry shall be made to the PSPSMA to record all PSPS-related costs including but not limited to, purchased fuel for generators and service contracts.

Revenue Requirement Entries

- b. Amounts equal to the revenue requirement of each capital expenditure at GSWC's authorized rate of return and related expenses (including return, income taxes, ad valorem tax, depreciation, and other taxes and fees)

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(To be inserted by utility)

Advice Letter No. 1781-WA
Decision No. _____

Issued By
R. J. Sprowls
President

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

Date Filed November 20, 2019
Effective August 22, 2019
Resolution No. _____

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3. ACCOUNTING PROCEDURE

The PSPSMA does not have a rate component.

Interest

- c. Interest shall accrue on the PSPSMA on a monthly basis 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.

4. EFFECTIVE DATE

The PSPSMA shall have the effective date of August 22, 2019.

5. DISPOSITION

Disposition of amounts recorded in the PSPSMA 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)

(Continued)

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