

Preliminary Statement  
Polyfluoroalkyl Substances  
Memorandum Account

**LLLL. Polyfluoroalkyl Substances Memorandum Account (PFASMA)**

(N)

1. **Purpose**

The purpose of the PFASMA is to record incremental expenses that are not otherwise covered in GSWC's revenue requirement, to comply with the regulatory standards set by the State Water Control Board, to detect, monitor and report per-and polyfluoroalkyl substances (PFAS) in drinking water.

2. **Applicability**

GSWC expects to incur costs related to, but not limited to, the following:

- Laboratory testing and monitoring - due to the specialized nature of the analyses (new and developing methods, low detection limits and sensitivity for sample contamination) the cost for each analysis is much greater than routine monitoring tests.
- Customer/public notifications
- Chemical and operating costs for treatment
- Special studies related to treatment options

3. **Accounting Procedure**

The PFASMA does not have a rate component.

- a. A debit entry shall be made to the PFASMA to record all related costs including, but not limited to, laboratory testing/monitoring, customer/public notifications, chemical costs and special treatment studies.
- b. Interest shall accrue to the PFASMA 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 end-of balances.

4. **Effective Date**

The PFASMA shall have the effective date of October 31, 2019.

5. **Disposition**

Disposition of amounts recorded in the PFASMA shall be determined in GSWC's next General Rate Case application or as otherwise determined by the Commission, if the account's cumulative balance exceeds 2% of GSWC's adopted gross revenues.

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(To be inserted by utility)

Advice Letter No. 1795-WB  
Decision No. \_\_\_\_\_

*Issued By*  
**R. J. Sprowls**  
*President*

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

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