

Preliminary Statements
Conservation Regulation Memorandum Account

WWWW. Conservation Regulation Memorandum Account

(N)

1. Purpose

The purpose of the Conservation Regulation Memorandum Account (CORMA) is to record any incremental costs that are required to comply with the "Making Conservation a California Way of Life" Regulation of the State Water Resources Control Board that are not in rates or otherwise tracked in another memorandum or balancing account, such as the 2021 Water Conservation Memorandum Account.

2. Applicability

The CORMA does not have a rate component and is applicable to all of Golden State Water Company's regulated ratemaking areas.

3. Accounting Procedures

Golden State shall maintain the CORMA by recording costs it will incur, that include, but are not limited to the following:

- a. A monthly debit or credit entry to record the difference between the conservation expenses authorized in rates and conservation expenses required to comply with the Making Conservation a California Way of Life Regulation;
- b. The carrying costs on any incremental plant investments related to developing and staffing for the expansion of cost-effective programs;
- c. Cost of educating customers on the value of modifying their behavior and complying with any other requirements that may result from the final regulation, that are not being recorded in any other memorandum account or balancing account, such as the 2021 Water Conservation Memorandum Account.
- d. The CORMA will accrue interest on a monthly basis by applying a rate equal to one-twelfth of the 3-month Non-Financial 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 CORMA shall go into effect on the filing date of Advice Letter 1947-W.

5. Disposition

Disposition of amounts recorded in the CORMA shall be determined in Golden State's next General Rate Case application, or as otherwise determined by the Commission if the account's cumulative balance exceeds 2% of Golden State's adopted gross revenues. The recovery of over/under collections will be passed on to the customers through volumetric surcharges or flat rate surcredits.

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(Continued)

(To be inserted by utility)

Advice Letter No. 1947-W
Decision No. _____

Issued By
R. J. Sprowls
President

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

Date Filed August 5, 2024
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Resolution No. _____