

PRELIMINARY STATEMENT
(Continued)

Sheet 1

**Southern S. National Oceanic and Atmospheric Administration Endangered Species Act
("NOAA/ESA") Memorandum Account**

1. PURPOSE:

The purpose of the NOAA Memorandum Account is to track compliance payments made by California American Water to the United States Department of Commerce National Oceanic Atmospheric Administration ("NOAA"), or its designated payee, for Federal Endangered Species Act ("ESA") mitigation. Recovery of these annual payments shall be through a Tier 2 advice letter. California American Water was granted authority to continue this account and to continue seeking recovery of future annual payments in Decision (D.) 21-11-018. California American Water may also file a Tier 3 advice letter to request costs, other than annual payments, related to the extension of the NOAA agreement beyond 2016 be included in the account.

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2. APPLICABILITY:

The Monterey Service Area which includes Monterey Service Area

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3. ACCOUNTING PROCEDURE:

The following entries shall be recorded to the memorandum account:

- a. A debit entry equal to each compliance payment made in connection with the NOAA settlement.
- b. A debit or credit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90-day Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.
- c. A credit entry will be made to transfer the balances to the appropriate district Consolidated Expense Balancing Account's (CEBA) upon Commission approval.

4. RATEMAKING PROCEDURE:

There is currently no ratemaking component to the memorandum account. Requests for recovery of any balance are to be processed according to General Order 96-B and Standard Practices or otherwise determined in a Commission decision. Upon Commission review and approval, balances shall be transferred to the appropriate district's CEBA.

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(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1353	J. T. LINAM	Date Filed <u>12/23/2021</u>
Decision	DIRECTOR - Rates & Regulatory	Effective <u>03/04/2022</u>
		Resolution _____