

PRELIMINARY STATEMENT

Sheet 1

BP. TCP Litigation Proceeds Memorandum Account ("TCPLMA")

(P)

1. PURPOSE:

The purpose of the TCP Litigation Proceeds Memorandum Account ("TCPLMA") is to track litigation awards and settlement proceeds received by California American Water with respect to litigation against manufacturers and distributors referred to as potentially responsible parties (PRPs) that manufactured and distributed products, which contained 1,2,3 trichloropropane (TCP) in California. In addition, California American Water will track application of funds received towards investments in replacement and treatment property.

2. APPLICABILITY

All California American Water Service Areas.

3. ACCOUNTING PROCEDURE

California American Water shall maintain the TCPLMA in accordance with OP 4 of D.10-10-018 and Appendix C (Rules for the Accounting of Water Contamination Proceeds) of D.10-12-058, making entries as follows:

Investment Entries

- a. A credit or debit entry equal to the amounts recorded in Operations and Maintenance, and Administrative & General Expense Accounts for costs incurred to support TCP litigation action.
- b. A debit or credit entry equal to the amounts obtained in judgements or settlements in the subject litigation.
- c. A debit or credit entry equal to the original cost of capital investments placed in service to replace TCP contaminated property or to treat water for TCP contamination, including such projects that have been completed prior to the adoption of this memorandum account. Capital investments will be recorded by project and by district.

Revenue Requirement Entries

- d. A debit or credit entry equal to the revenue requirement of each capital investment recorded in (c) that is not offset by contamination proceeds and is not included in authorized revenue requirement (including return on investment for company funded plant, income taxes, ad valorem tax, depreciation, and other taxes and fees

4. RATEMAKING PROCEDURE:

Currently there is no ratemaking component to this 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 CEBA's for recovery/refund.

(P)

(Continued)

(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	<u></u>