

PRELIMINARY STATEMENTS

QQ. 2019 Winter Storms Memorandum Account

(N)

Purpose

The purpose of the 2019 Winter Storms Memorandum Account ("2019WSMA") is to track unanticipated incremental administrative and operation expenses related to the winter storms that started on January 5, 2019.

On February 21, 2019, California Governor Gavin Newsom issued a State of Emergency Proclamation for the Counties of Calaveras, El Dorado, Humboldt, Los Angeles, Marin, Mendocino, Modoc, Mono, Monterey, Orange, Riverside, San Bernardino, San Diego, San Mateo, Santa Barbara, Santa Clara, Shasta, Tehama, Trinity, Ventura, and Yolo — directs Caltrans to formally request immediate assistance through the Federal Highway Administration's Emergency Relief Program and directs the Office of Emergency Services to provide assistance to local governments.

The 2019WSMA shall include:

All incremental administrative and operations expenses incurred that are directly related to the 2019 winter storms in San Bernardino County, such as, but not limited to, 1.) incremental costs to restore utility services, 2.) incremental costs for repairing, replacing or restoring damaged utility facilities, and 3.) costs complying with government agency orders resulting from the declared state of emergency.

GSWC shall maintain the 2019WSMA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the 2019WSMA at the end of each month to record the expenses.
- b. A debit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entry (a.), at a rate equal to one-twelfth of the rate on three-month Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

Effective Date

The 2019WSMA shall have an effective date of January 5, 2019.

Memorandum Account Period

The 2019WSMA shall remain in effect until the Governor's State of Emergency Proclamation for the winter storms is lifted.

Disposition

Disposition of amounts recorded in the 2019WSMA shall be determined in a regulatory proceeding authorized by the Commission

(N)