PRELIMINARY STATEMENTS

U. SHELL AND EDF AGREEMENTS MEMORANDUM ACCOUNT (T)

Golden State Water Company ("GSWC") shall maintain the Shell and EDF Agreements Memorandum Account ("SEAMA") for its Bear Valley Electric Service Division.

1. PURPOSE
The purpose of the SEAMA is to track the unrealized gains and losses otherwise imputed to the Shell and EDF agreements as a consequence of complying with the Financial Account Standards Board's (FASB) Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." This memorandum account is in compliance with Ordering Paragraph No. 8 in Decision No. 14-12-003.

2. APPLICABILITY
The SEAMA applies to all customer classes, except for those specifically excluded by the Commission.

3. RATES
The SEAMA does not have a rate component.

4. ACCOUNTING PROCEDURES
GSWC shall maintain the SEAMA by making entries at the end of each month as follows:

   a. Entries shall be made to the SEAMA at the end of each month to record the unrealized gain or loss attributable to the application of SFAS 133 to the Shell and EDF agreements approved by the Commission in Decision D.14-12-003

   b. This is a non-interest bearing memorandum account.

5. EFFECTIVE DATE
The SEAMA shall go into effect on the effective date of Advice Letter No. 295-E.

6. DISPOSITION
At the conclusion of the memorandum account's operation, the account will be reversed and no additional costs will be recovered from (or refunded to) ratepayers as noted in the Commission's decision establishing this memorandum account. (T)