

Preliminary Statement AL2

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AL2. Drought Memorandum Account 2 (DRMA2)

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1. Purpose: The purpose of the Drought Memorandum Account 2 (DRMA2) is to track costs and penalties associated with the implementation of Rule 14.1 and Schedule 14.1 consistent with Resolution W-4976 in which the Commission adopted Drought Procedures. The effective date for the DRMA2 will be June 14, 2021.
2. Applicability: The DRMA2 will track the following items:
 - a. Incremental operating and administrative costs associated with implementing voluntary and mandatory conservation measures consistent with Rule 14.1 and Schedule 14.1, such as additional staffing, efforts to encourage conservation, and capital expenditures to ensure a safe, reliable water supply;
 - b. Monies paid by customers for fines, penalties, or other compliance measures associated with water use violations; and
 - c. Penalties paid by Cal Water to its water wholesalers.
3. Disposition: Charges made to the Drought Memorandum Account 2 are subject to a reasonableness review in a General Rate Case, or in an appropriate advice letter filing consistent with General Order 96-B and Standard Practices.

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