

**CALIFORNIA WATER SERVICE COMPANY**

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Revised Cal. P.U.C. Sheet No. 12505-W  
Cancelling Cal. P.U.C. Sheet No. 11626-W

**Preliminary Statement**

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**AV. 2018 Tax Accounting Memorandum Account (TAMA)**

1. Purpose: The purposes of the 2018 Tax Accounting Memorandum Account (TAMA) are: (T)  
(1) to track on a CPUC-jurisdictional revenue requirement basis the impacts of the (T)  
"2018 Tax Cuts and Jobs Act" (TCJA) not otherwise reflected in rates from January 1, (L)  
2018 through December 31, 2019 (TCJA Memo Account Period); and (2) to track the (N)  
income tax expense associated with any grants awarded to Cal Water. (N)
2. General Information: Cal Water shall record in the TAMA realized increases or  
decreases in its CPUC-jurisdictional revenue requirement resulting from the TCJA. The  
Memo Account shall be used in determining whether any rate adjustment is necessary (N)  
to reflect impacts of the TCJA during the TCJA Memo Account Period. The Memo (N)  
Account shall also be used to track the income tax expense associated with any grants (N)  
awarded to Cal Water. (N)
3. Territory: All tariffed service areas of California Water Service Company.  
Memo Account Entries: The entries in the Memo Account may include the following:
  - a. Realized decreases in revenue requirement resulting from the TCJA during the TCJA (T)  
Memo Account Period.
  - b. Realized increases in revenue requirement resulting from the TCJA during the TCJA (T)  
Memo Account Period.
  - c. Income tax expense associated with grants awarded to Cal Water. (N)
  - d. Balances in the Memo Account will accrue interest at the 90-day commercial paper  
rate.
4. Disposition of Memo Account Balance:  
Cal Water will file an advice letter to address the TCJA-related balance by 12/31/2020, (C)  
or by such other time as ordered by the Commission. The TCJA balance in the Memo (C)  
Account shall be addressed and rates shall be adjusted accordingly, as appropriate.  
The TAMA will continue to 12/31/2022 to track grant-related income tax expenses, (N)  
which will be addressed in Cal Water's next general rate case or at such other time as (N)  
ordered by the Commission. (N)

(End)

(To be inserted by utility)

Advice Letter 2401  
Decision 20-12-007

Issued By

Greg A. Milleman  
Vice President

(To be inserted by CPUC)

Date Filed 01/27/2021  
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Resolution \_\_\_\_\_