

PRELIMINARY STATEMENT  
(Continued)

13. **MEMORANDUM ACCOUNTS** (Continued)

L. **Fire Risk Mitigation Memorandum Account**

In accordance with Section 38 of California Senate Bill 901, which was signed into law by California's Governor Edmund G. Brown Jr. on September 21, 2018, the Fire Risk Mitigation Memorandum Account ("FRMMA") will record costs incurred for fire risk mitigation that are not otherwise in Liberty CalPeco's currently-authorized revenue requirement.

1. PURPOSE

The purpose of the FRMMA is to track incremental costs incurred for fire risk mitigation that are not otherwise covered in Liberty CalPeco's currently-authorized revenue requirement.

2. APPLICABILITY

The FRMMA applies to all customer classes and rate schedules, except for those specifically excluded by the Commission.

3. ACCOUNTING PROCEDURES

Liberty CalPeco shall maintain the FRMMA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the FRMMA at the end of each month to record the incremental fire risk mitigation costs.
- b. Interest shall accrue to the FRMMA on a monthly basis by applying a rate equal to one-twelfth of the three-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. EFFECTIVE DATE

The FRMMA shall be effective on January 1, 2019.

5. DISPOSITION

Disposition of amounts recorded in the FRMMA shall be determined in a subsequent general rate case or other rate setting filing authorized by the Commission.