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Subject: Authorized Balancing Account Outstanding Balances ^(A)

- (1) Balancing accounts with a quarter-end balance with more than a 10-percent differential from the balancing account’s authorized revenue amount.

RESPONSE: California American Water interprets “authorized revenue amount” to be the most recent amount authorized for recovery in California American Water’s last General Rate Case (D.21-11-018), or the most recently reviewed balance as designated below. In instances where “authorized revenue amounts” were not provided in the Appendices to D.21-11-018, California American Water has relied on the Decision work papers provided by Water Division. The following table lists the accounts with a quarter-end balance with more than a 10% differential from the “authorized revenue amount.”

Table 1

District	Balancing Account	Balance at 12/31/2021	Most Recent Conducted Review		% Differential
			Authorized Balance	GRC/AL	
All Districts	OPEB	2,243,150	1,084,182	D.21-11-018	106.9%
All Districts	Pension	75,825	(1,352,291)	D.21-11-018	105.6%
Central Division	SCD Project	(62,784,441)	(88,785,940)	D.21-11-018	29.3%
All Districts	Conservation	2,109,492	(2,561,720)	AL 1322	182.3%
All Districts	WRAM/MCBA	(21,648,656)	(53,131,675)	Misc.	59.3%
Central Division	Purchased Power	49,651	(275,807)	D.21-11-018	118.0%
Central Division	Seaside Groundwater Basin	217,456	291,293	D.21-11-018	-25.3%
Central Division	SDWSF Loan Repayment	(19,482)	(114,813)	W-4788	83.0%
All Districts	LIRA	2,894,871	(3,471,145)	D.21-11-018	183.4%
All Districts	Group Insurance	(729,810)	(3,936,455)	D.21-11-018	81.5%
Northern Division	Chromium VI Balancing Account	33,449	(859,143)	AL 1277	103.9%
Northern Division	Purchase Power and Water Treatment Balancing Account	(0)	(546,422)	AL 1299-A	100.0%
Northern Division	Fruitridge SDWSRF Loan Repayment Balancing Accounts	(123,325)	(3,272,505)	AL 1279	96.2%
Northern Division	Fruitridge SDWSRF Loan Repayment Balancing Accounts	(221,299)	(1,675,811)	AL 1279	86.8%

*The revenue requirement reflected here is the 2019 GRC Revenue Requirement.

- (2) Balancing accounts with an authorized revenue amount that is in the top 25th percentile of all balancing accounts.

RESPONSE: California American Water interprets “authorized revenue amount” to be the most recent amount authorized for recovery in California American Water’s last General Rate Case (D.21-11-018), or the most recently reviewed balance as designated below. In instances where “authorized revenue amounts” were not provided in the Appendices to D.21-11-018, California American Water has relied on the Decision workpapers provided by Water Division. The following

table lists the accounts with the largest authorized balances (i.e. top 25th percentile).

Table 2

District	Balancing Account	Authorized Balance	Balance Reviewed In
Central Division	SCD Project	(62,784,441)	2021

- (3) Balancing accounts that have experienced volatile fluctuations in their quarterly balances over time.

RESPONSE: California American Water interprets this request as identifying those accounts that have experienced fluctuations of 20 percent *or more* relative to the previous semiannual balance, for account balances greater than \$5,000:

Table 3

District	Balancing Account	Fluctuation from Previous Annual Balance (%)
All Districts	OPEB	-87.7%
All Districts	Pension	-2537.7%
Central Division	SCD Project	-26.4%
All Districts	WRAM/MCBA	-81.8%
Monterey WW	Purchased Power	471.8%
Central Division	Seaside Groundwater Basin	-129.7%
All Districts	Consolidated Expense	77.1%
All Districts	Group Insurance	-280.8%
Northern Division	Water Treatment Balancing Account (Hillview)	218.2%

- (4) Balancing accounts that have not been reviewed in the previous three years.

RESPONSE: All of California American Water's balancing accounts were either reviewed in its most recent approved general rate case (D.21-11-018) or in advice letter filings within the previous three years.

- (A) The amounts shown are preliminary and have not been audited by the Company's independently registered public accounting firm.

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2021	Balance as of December 2021	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
California American Water	OPEB Balancing Account All Districts	Other-Post-Employment Benefits Balancing Account, tracks the difference between Commission-authorized OPEB related, costs and actual payments.	AL 862 & D.10.06.038; June 24, 2010; D.12.06.016; June 7, 2012	\$ 4,210,289	\$ 2,243,150	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Overcollection
	Pension Balancing Account - All Districts	Tracks the difference between Commission-authorized pensions and actual required ERISA payments-including payments to avoid at risk status.	AL 862 & D.10.06.038; June 24, 2010; D.12.06.016; June 7, 2012	\$ 2,000,057	\$ 75,825	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Overcollection
	Old Monterey Style WRAM Balancing Account	Tracks the difference between revenues that would have been collected under the Commission's standard rate design and the tiered conservation rate design actually implemented in Monterey.	AL 735 & AL 987 [D.09.07.021; Issued July 9, 2009];	\$ (34,496)	\$ 0	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Overcollection
	Monterey San Clemente Dam Project Balancing Account	Tracks authorized costs transferred from the prior memorandum account, actual expenditures for the project, interest at the authorized cost of capital, and any surcharge recoveries collected.	AL 955 and D.12.06.040; June 21, 2012;	\$ (79,367,962)	\$ (62,784,441)	2021		Undercollection
	Conservation Balancing Account - All Districts	Track conservation-related expenses and surcharges associated with California American Water's conservation efforts	D.12.06.016; June 7, 2013	\$ 1,914,341	\$ 2,109,492	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Overcollection
	WRAM/MCBA - All District	Tracks the difference between recorded and Commission authorized water revenues and differences between recorded and Commission authorized amounts for purchased water, power, and pump taxes. Amounts are subject to revision for Interim Rate True Ups and other ongoing proceedings.	D.08.11.023; November 6, 2008 & AL 1004	\$ (39,350,662)	\$ (21,648,656)	2021	District WRAM/MCBA Annual Reports	Undercollection
	Sand City Desalination Plant Purchased Water Balancing Account	Tracks Sand City Desalination Plant production costs and associated recoveries.	D.13.04.015; April 18, 2013	\$ (448,347)	\$ -	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts. adopting the	Overcollection

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	Monterey WW Purchased Power Balancing Account	Tracks differences in purchased power expenses based upon changes in recorded unit prices versus adopted I the Monterey Waste Water district.	D.12.06.016; June 7, 2012	\$ (184,615)	\$ 49,651	2021	2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Overcollection
	Monterey Seaside Groundwater Basin Balancing Account	Tracks costs associated with Administrative and other payments made to the Seaside Basin Water Master, as well as recovery of such payments from customers in the Monterey County District.	D.12.06.016; June 7, 2012	\$ 499,407	\$ 217,456	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Overcollection
	Monterey Seaside Basin Adjudication Balancing Account	Tracks the surcharge collections and interest associated with the unamortized balance of costs incurred to litigate and secure Seaside Basin water rights.	D.09.07.021; July 9, 2009 & AL 778	\$ (12)	\$ (0)	2021		Undercollection
	Consolidated Expense Balancing Account - All District	Consolidate the amortization of Commission approved balancing and memorandum accounts where appropriate.	D.12.06.016; June 7, 2012; AL 963, AL964, AL965, AL966, AL 982, AL 986-A, AL 1000, AL 1230, AL 1353	\$ (3,049,562)	\$ (13,337,489)	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Undercollection
	Garrapata SDWSRF Loan Repayment Balancing Accounts	Track recovery of the balance on SDWSRF loan provided under the America Recovery and Reinvestment Act.	Res. W-4788	\$ (19,018)	\$ (19,482)	2021	AL 1091/D.18.12.021	Undercollection
	Customer Assistance Program (CAP) Balancing Account - All Districts	Track CAP discounts provided, the CAP surcharges collected and to adjust the CAP surcharges on January 1 of each year.	D.18-12-021	\$ 2,611,366	\$ 2,894,871	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Overcollection
	Group Insurance - All District	Track the difference between total requested net group insurance costs on a per-employee basis and the actual level of new group insurance costs incurred on a per employee basis.	D.18-12-021, AL 1229, March 21, 2019	\$ (2,779,372)	\$ (729,810)	2021	CPUC D.21-11-018 on Balancing and Memorandum Accounts, adopting the 2021,2022, and 2023 Revenue Requirement for California American Water Company dated November 18, 2021	Undercollection
	Chromium VI Balancing Account - Sacramento & Dunnigan	Track the recovery of past incremental revenue requirement previous tracked in the Chromium 6 Memo Account	Resolution W-5212, AL 1277, January 1, 2020	\$ 33,533	\$ -	2020	Resolution W-5212	Overcollection
	Purchase Power and Water Treatment Balancing Account - Hillview	Tracks differences in purchased power expenses based upon changes in recorded unit prices	D. 19-11-003, Nov 2019, Advice Letter 1299-A	\$ (0)	\$ (0)	2021	D.19-11-003	Undercollection

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2021	Balance as of December 2021	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
	Hillview SDWSRF Loan Repayment Balancing Accounts	Track recovery of the balance on SDWSRF loan	D. 19-11-003, Nov 2019, Advice Letter 1299-A	\$ (134,385)	\$ (134,381)	2021	D.19-11-003	Undercollection
	Fruitridge SDWSRF Loan Repayment Balancing Accounts	Track recovery of the balance on SDWSRF loan D. 06-04-073	D. 19-12-038, December 23, 2019, Advice letter 1279-A	\$ (123,325)	\$ (123,325)	2021	D.19-12-038	Undercollection
	Fruitridge SDWSRF Loan Repayment Balancing Accounts	Track recovery of the balance on SDWSRF loan D. 10-05-043	D. 19-12-038, December 23, 2019, Advice letter 1279-A	\$ (221,299)	\$ (221,299)	2021	D.19-12-038	Undercollection
	Hillview Water Treatment Balancing Account		D. 19-11-003, Nov 2019, Advice Letter 1299-A	\$ (145,006)	\$ 122,688	2021	D.19-11-003	Overcollection
	Hillview Grant Tax Balancing Account		W-5190	\$ (128,252)	\$ (106,074)	2021	D.19-11-003	Undercollection
	East Pasadena FRF	East Pasadena Acquisition	D.21-08-002, September, 2021, Advice Letter 1347	\$ -	\$ 4,691	2021	D.21-08-002	Overcollection
				\$ (114,717,320)	\$ (91,387,135)			
Revenue Requirement	Northern Division	Authorized Requirement	D.21-11-018 AL 1353, December 23, 2021	\$ 60,456,926	\$ 72,777,562			
	Central Division		D.21-11-018 AL 1353, December 23, 2021	\$ 75,346,133	\$ 76,493,926			
	Southern Division		D.21-11-018 AL 1353, December 23, 2021	\$ 107,355,911	\$ 123,004,405			
	Monterey Wastewater		D.21-11-018 AL 1353, December 23, 2021	\$ 3,444,471	\$ 3,549,343			
	All Districts				\$ 243,158,970	\$ 275,825,236		

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2021	Balance as of December 2021	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
Service								
Connections ²	San Diego			22,909	22,909			
	Los Angeles			30,996	30,996			
	Ventura			23,361	23,361			
	Monterey			44,344	44,344			
	Monterey WW			2,403	2,403			
	Sacramento			74,538	74,538			
	Larkfield			2,610	2,610			
	Dunnigan WW			143	143			
	Geyersville (included in Sacramento)			-	-			
	Meadowbrook (included in Sacramento)			-	-			
	Dunnigan (included in Sacramento)			-	-			
	Fruitridge (included in Sacramento)			-	-			
	Hillview (included in Sacramento)			-	-			
	Rio Plaza (included in Los Angeles)			-	-			
	All Districts			201,304	201,304			

Notes:

- 1) The amounts shown above are preliminary and have not been audited by the Company's independently registered public accounting firm.
- 2) Service Connections include PFS and Hydrants
- 3) Closed Accounts as of December 31, 2020 per D.21-11-018
 - Monterey Leak Adjustment Balancing Account
 - Monterey Seaside Basin Adjudication Balancing Account
 - Chromium VI Balancing Account - Sacramento & Dunnigan
 - Old Monterey Style WRAM Balancing Account
 - Sand City Desalinization Plant Purchased Water Balancing Account