



4701 Beloit Drive  
 Sacramento, CA 95838  
[www.amwater.com](http://www.amwater.com)

P (916) 568-4251  
 F (916) 568-4260

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Subject: Authorized Balancing Account Outstanding Balances <sup>(A)</sup>

In Response to Ms. Rocha's July 30, 2018 e-mail (as clarified by her August 8 email) California American Water (Cal-Am) identifies each balancing account consistent with the following criteria:

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

RESPONSE: Cal-Am interprets "authorized revenue amount" to be the most recent balance authorized for amortization (i.e. amortization revenues), or the balance reviewed in Cal-Am's last General Rate Case (D.15-04-007), whichever is more recent. The following table lists the accounts with a quarter-end balance with more than a 10% differential from the "authorized revenue amount." The table also shows the account balance as a percentage of current authorized revenues for the district.

District	Balancing Account	Balance at 6/30/2018	Most Recent Conducted		% Differential	Authorized Revenue Requirement for Division	6/30/2018 % of Authorized Revenue Requirement
			Balance	GRC/AL			
San Diego	OPEB	31,715	39,233	D.15.04.007	19.2%	27,604,192	0.1%
Monterey	OPEB	185,081	214,141	D.15.04.007	13.6%	54,291,556	0.3%
Monterey WW	OPEB	23,699	36,129	D.15.04.007	34.4%	3,233,289	0.7%
Toro	OPEB	1,908	2,288	D.15.04.007	16.6%	795,582	0.2%
LA	OPEB	69,520	92,007	D.15.04.007	24.4%	32,125,145	0.2%
Ventura	OPEB	28,671	35,289	D.15.04.007	18.8%	38,053,595	0.1%
Sacramento	OPEB	69,114	96,426	D.15.04.007	28.3%	56,832,057	0.1%
Larkfield	OPEB	2,515	5,179	D.15.04.007	51.4%	3,068,276	0.1%
San Diego	Pension	605,521	61,000	D.15.04.007	-892.7%	27,604,192	2.2%
Monterey	Pension	2,120,285	(1,731,456)	D.15.04.007	222.5%	54,291,556	3.9%
Monterey WW	Pension	194,047	10,982	D.15.04.007	-1667.0%	3,233,289	6.0%
Toro	Pension	21,844	13,225	D.15.04.007	-65.2%	795,582	2.7%
LA	Pension	837,280	(357,657)	D.15.04.007	334.1%	32,125,145	2.6%
Ventura	Pension	510,272	68,611	D.15.04.007	-643.7%	38,053,595	1.3%
Sacramento	Pension	1,107,121	(403,091)	D.15.04.007	374.7%	56,832,057	1.9%
Larkfield	Pension	153,717	(85,020)	D.15.04.007	280.8%	3,068,276	5.0%
Monterey	Old Monterey WRAM	(966,003)	2,413,408	AL 987	140.0%	54,291,556	-1.8%
Monterey	SCD Project	(948,403)	(21,724,907)	AL 955	95.6%	54,291,556	-1.7%
Monterey	Coastal Water Project	1,741,844	1,173,744	D.15-03-002	-48.4%	54,291,556	3.2%

Table 1, continued

District	Balancing Account	Balance at 6/30/2018	Most Recent Conducted		% Differential	Authorized Revenue Requirement for Division	6/30/2018 % of Authorized Revenue Requirement
			Balance	GRC/AL			
Larkfield	Conservation	1,758	8,578	AL 1154	79.5%	3,068,276	0.1%
LA	Conservation	(41,846)	(70,231)	AL 1154	40.4%	32,125,145	-0.1%
Monterey	Conservation	(68,781)	(191,181)	AL 1154	64.0%	54,291,556	-0.1%
Sacramento	Conservation	(43,347)	115,449	AL 1154	137.5%	56,832,057	-0.1%
Ventura	Conservation	(49,882)	67,789	AL 1154	173.6%	38,053,595	-0.1%
Ventura	WRAM/MCBA	(10,262,103)	(9,134,703)	AL 1192	-12.3%	38,053,595	-27.0%
Larkfield	WRAM/MCBA	(1,499,303)	(1,224,021)	AL 1198	-22.5%	3,068,276	-48.9%
Monterey	WRAM/MCBA	(52,700,195)	(2,488,319)	AI 1199	-2017.9%	53,708,655	-98.1%
Monterey	Sand City DeSalinization	(1,863,484)	(949,200)	AL 1149	-96.3%	54,291,556	-3.4%
Sacramento	Purchased Water & Power	(195,074)	(1,755,801)	D.15.04.007	88.9%	56,832,057	-0.3%
Monterey	Seaside Basin Adjudication	(291,045)	(2,755,960)	D.10-11-006	89.4%	54,291,556	-0.5%
San Diego	CEBA	\$ 60,461	(143,870)	AL 1154	142.0%	27,604,192	0.2%
Monterey	CEBA	\$ (4,984,837)	(8,889,396)	AL 1154	43.9%	53,708,655	-9.3%
Toro	CEBA	\$ (51,659)	(109,621)	AL 1151-A	52.9%	795,582	-6.5%
LA	CEBA	\$ (251,518)	(1,486,412)	AL 1154	83.1%	32,125,145	-0.8%
Ventura	CEBA	\$ 6,506	(337,066)	AL 1154	101.9%	38,053,595	0.0%
Sacramento	CEBA	\$ (1,578,406)	(3,709,204)	AL 1154	57.4%	56,832,057	-2.8%
Larkfield	CEBA	\$ (108,451)	(257,624)	AL 1154	57.9%	3,068,276	-3.5%
Monterey- Ambler	CEBA	35,502	24,268	AL 1154	-46.3%	582,902	6.1%
Garrapata	Garrapata SDWSF Loan Repayment	15,756	114,813	W-4788	86.3%	n/a	n/a
San Diego	LIRA	(903,991)	(185,864)	D.15.04.007	-386.4%	27,604,192	-3.3%
Ventura	LIRA	242,903	(188,004)	D.15.04.007	229.2%	38,053,595	0.6%
Sacramento	LIRA	(1,447,819)	(741,845)	D.15.04.007	-95.2%	56,832,057	-2.5%
Larkfield	LIRA	(38,206)	(31,464)	D.15.04.007	-21.4%	3,068,276	-1.2%
Monterey	LIRA	(72,980)	(1,086)	D.15.04.007	-6620.1%	54,291,556	-0.1%
LA	LIRA	(1,054,462)	(479,290)	D.15.04.007	-120.0%	32,125,145	-3.3%

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

RESPONSE: Cal-Am interprets “authorized revenue amount” to be the most recent balance authorized for amortization (i.e. amortization revenues), or the balance reviewed in Cal-Am’s last General Rate Case (D.15-04-007), whichever is more recent. The following table lists the accounts with the largest authorized balances (i.e. top 25<sup>th</sup> percentile).

District	Balancing Account	Authorized Balance	Balance Reviewed in:
Monterey	WRAM/MCBA	(52,700,195)	District WRAM/MCBA Annual Reports

- (3) Balancing accounts that have experienced volatile fluctuations in their quarterly balances over time. (Per Ms. Rocha's August 8, 2018 email, ...accounts that have fluctuations within 20 percent from the previous semiannual balance.)

RESPONSE: Cal-Am 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:

District	Balancing Account	Fluctuation from Previous Annual Balance (%)
San Diego	OPEB	166.8%
Monterey	OPEB	161.9%
Monterey WW	OPEB	331.5%
LA	OPEB	201.2%
Ventura	OPEB	164.6%
Sacramento	OPEB	237.7%
Monterey	SCD Project	167.2%
LA	Conservation	-310.7%
Monterey	Conservation	-78.7%
Sacramento	Conservation	-54.3%
Ventura	Conservation	-31.6%
Monterey	Seaside Basin Adjudication	-30.5%
Ventura	Consolidated Expense	-409.2%
LA	Consolidated Expense	-62.3%
Ventura	Consolidated Expense	-107.1%
Sacramento	Consolidated Expense	-26.5%
Larkfield	Consolidated Expense	-24.3%
Monterey (Ambler)	Consolidated Expense	-21.5%
Ventura	LIRA	49.2%
Monterey	LIRA	40.4%

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

RESPONSE: All of Cal-Am's balancing accounts were either reviewed in its most recent approved general rate case (D.15-04-007) 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	Balance as of	Balance as of June	Date Last	Most Recent Conducted	Notes or
		December 2017 <sup>1</sup>	2018	Reviewed	Review/Audit (either GRC or other Method)	Comments
California American Water	OPEB Balancing Account - San Diego	\$ 11,889	\$ 31,715	2017		Overcollection
	OPEB Balancing Account - Monterey	\$ 70,678	\$ 185,081	2017		Overcollection
	OPEB Balancing Account - Monterey WW	\$ 5,493	\$ 23,699	2017		Overcollection
	OPEB Balancing Account - Toro	\$ 751	\$ 1,908	2017		Overcollection
	OPEB Balancing Account - LA	\$ 23,078	\$ 69,520	2017		Overcollection
	OPEB Balancing Account - Ventura	\$ 10,836	\$ 28,671	2017		Overcollection
	OPEB Balancing Account - Sacramento	\$ 20,467	\$ 69,114	2017		Overcollection
	OPEB Balancing Account - Larkfield	\$ (86)	\$ 2,515	2017		Overcollection
	Pension Balancing Account - San Diego	\$ 577,653	\$ 605,521	2017		Overcollection
	Pension Balancing Account - Monterey	\$ 2,024,034	\$ 2,120,285	2017		Overcollection
	Pension Balancing Account - Monterey WW	\$ 190,363	\$ 194,047	2017		Overcollection
	Pension Balancing Account - Toro	\$ 20,866	\$ 21,844	2017		Overcollection
	Pension Balancing Account - LA	\$ 797,268	\$ 837,280	2017		Overcollection
	Pension Balancing Account - Ventura	\$ 488,457	\$ 510,272	2017		Overcollection
	Pension Balancing Account - Sacramento	\$ 1,055,201	\$ 1,107,121	2017		Overcollection
	Pension Balancing Account - Larkfield	\$ 146,259	\$ 153,717	2017		Overcollection
	LA DSIC Surcharge Balancing Account	\$ -	\$ -	2015	AL 1082-A	N/A
	Old Monterey Style WRAM Balancing Account	\$ (961,845)	\$ (966,003)	2017		Undercollection
	Monterey San Clemente Dam Project Balancing Account	\$ (354,904)	\$ (948,403)	2017		Undercollection
	Monterey Coastal Water Project - Balancing Account Carmel River Mitigation	\$ 1,707,587	\$ 1,741,844	2017		Overcollection
	Program Balancing Account - Monterey Peninsula Water Management District Conservation Balancing Account	\$ 87,570	\$ (1)	2017		Undercollection
	Larkfield Conservation Balancing Account	\$ 24,851	\$ 1,758	2017		Overcollection
	Los Angeles Conservation Balancing Account	\$ 19,861	\$ (41,846)	2017		Undercollection
	Monterey Conservation Balancing Account	\$ (322,177)	\$ (68,781)	2017		Undercollection
	Sacramento Conservation Balancing Account	\$ (94,796)	\$ (43,347)	2017		Undercollection
	San Diego Conservation Balancing Account	\$ (47,657)	\$ (51,360)	2017		Undercollection
	Ventura Conservation Balancing Account	\$ (72,975)	\$ (49,882)	2017		Undercollection
	San Diego WRAM/MCBA	\$ (4,466,987)	\$ (4,590,983)	2017		Undercollection
	Los Angeles WRAM/MCBA	\$ (5,212,215)	\$ (4,877,004)	2017		Undercollection
	Ventura WRAM/MCBA	\$ (9,131,608)	\$ (10,262,103)	2017		Undercollection
	Larkfield WRAM/MCBA	\$ (1,327,000)	\$ (1,499,303)	2017		Undercollection
	Monterey WRAM/MCBA	\$ (56,637,015)	\$ (52,700,195)	2016		Undercollection
	Monterey-Ambler WRAM/MCBA	\$ (861,868)	\$ (921,612)	2016		Undercollection
	Monterey-Toro WRAM/MCBA	\$ (542,593)	\$ (565,992)	2016		Undercollection
	Sacramento WRAM/MCBA	\$ (19,029,622)	\$ (20,167,808)	2017		Undercollection
	Sand City Desalination Plant Purchased Water Balancing Account	\$ (1,746,453)	\$ (1,863,484)	2017		Undercollection
Monterey WW Purchased Power Balancing Account	\$ (267,672)	\$ (316,823)	2017		Undercollection	
Sacramento Purchased Water and Power Balancing Account	\$ (195,074)	\$ (195,074)	2017		Undercollection	
Groundwater Basin Balancing Account	\$ -	\$ -	2017		Undercollection	
Monterey Seaside Basin Adjudication Balancing Account	\$ (418,671)	\$ (291,045)	2017		Undercollection	

<sup>1</sup> A positive balance reflects an overcollection.  
A negative balance reflects an undercollection.

Utility Name	Balancing Account Name	Balance as of	Balance as of June	Date Last	Most Recent Conducted	Notes or
		December 2017 <sup>1</sup>	2018	Reviewed	Review/Audit (either GRC or other Method)	Comments
	Consolidated Expense					
	Balancing Account - Coronado	\$ (19,550.92)	\$ 60,461.06	2015		Overcollection
	Consolidated Expense					
	Balancing Account - Monterey	\$ (6,021,699.82)	\$ (4,984,836.71)	2015		Undercollection
	Consolidated Expense					
	Balancing Account - Monterey	\$ 20,099.66	\$ 19,837.18	2015		Overcollection
	Consolidated Expense					
	Balancing Account - Toro	\$ (63,144.31)	\$ (51,659.23)	2015		Undercollection
	Consolidated Expense					
	Balancing Account - LA	\$ (667,989.31)	\$ (251,518.45)	2015	D.15-07-004	Undercollection
	Consolidated Expense					
	Balancing Account - Ventura	\$ (91,980.76)	\$ 6,505.53	2015		Overcollection
	Consolidated Expense					
	Balancing Account - Sacramento	\$ (2,148,480.71)	\$ (1,578,406.02)	2015		Undercollection
	Consolidated Expense					
	Balancing Account - Larkfield	\$ (143,212.79)	\$ (108,450.95)	2015		Undercollection
	Consolidated Expense					
	Balancing Account -Monterey (Ambler)	\$ 45,238.69	\$ 35,501.80	2015		Overcollection
	Repayment Balancing Accounts	\$ 15,215	\$ 15,756	2015	AL 1091	Overcollection
	Assistance (LIRA) Program					
	Balancing Account - San Diego	\$ (839,678)	\$ (903,991)	2017		Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program					
	Balancing Account - Ventura	\$ 162,777	\$ 242,903	2017		Overcollection
	Low-Income Ratepayer Assistance (LIRA) Program					
	Balancing Account - Sacramento	\$ (1,473,632)	\$ (1,447,819)	2017	ORA Analysis and recommendations on Balancing and Memorandum Accounts, Special Request #5, #8, #11 and #18 of California American Water Company Application 16.07.002 dated February 13, 2017	Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program					
	Balancing Account - Larkfield	\$ (43,332)	\$ (38,206)	2017		Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program					
	Balancing Account - Monterey	\$ (51,988)	\$ (72,980)	2017		Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program					
	Balancing Account - Los Angeles	\$ (1,037,292)	\$ (1,054,462)	2017		Undercollection
Revenue Requirement	San Diego - Authorized Requirement	\$ 27,604,192	\$ 27,604,192			
	Los Angeles - Authorized Requirement	\$ 32,125,145	\$ 32,125,145			
	Ventura - Authorized Requirement	\$ 38,053,595	\$ 38,053,595			
	Monterey - Authorized Requirement	\$ 54,291,556	\$ 54,291,556			
	Monterey WW- Authorized Requirement	\$ 3,233,289	\$ 3,233,289			
	Toro - Authorized Requirement	\$ 788,944	\$ 795,582			
	Sacramento - Authorized Requirement	\$ 56,876,086	\$ 56,832,057			
	Larkfield - Authorized Requirement	\$ 3,068,276	\$ 3,068,276			
	Dunnigan - Authorized Requirement		\$ 171,108			
	Geyserville - Authorized Requirement		\$ 360,800			
	Meadowbrook - Authorized Requirement		\$ 877,000			
Service Connections <sup>2</sup>	San Diego	21,181	22,600			
	Los Angeles	27,853	30,298			
	Ventura	21,248	23,392			
	Monterey	39,695	44,067			
	Monterey WW	2,585	2,607			
	Sacramento	58,894	65,573			
	Larkfield	2,440	2,127			
	Dunnigan		253			
	Geyserville		318			
	Meadowbrook		1,695			
		173,896	192,930			

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

1 A positive balance reflects an overcollection.  
A negative balance reflects an undercollection.