

California American Water Company

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2018 ¹	Balance as of December 2018 ¹	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments	
California American Water	OPEB Balancing Account - San Diego	"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	\$ 31,715	\$ 99,910	2018	CPUC D.18-12-021 on Balancing and Memorandum Accounts, adopting the 2018,2019, and 2020 Revenue Requirement for California American Water Company dated December 13, 2018	Overcollection	
	OPEB Balancing Account - Monterey			\$ 185,081	\$ 412,201	2018		Overcollection	
	OPEB Balancing Account - Monterey WW			\$ 23,699	\$ 46,004	2018		Overcollection	
	OPEB Balancing Account - Toro			\$ 1,908	\$ 1,763	2018		Overcollection	
	OPEB Balancing Account - LA			\$ 69,520	\$ 174,809	2018		Overcollection	
	OPEB Balancing Account - Ventura			\$ 28,671	\$ 74,028	2018		Overcollection	
	OPEB Balancing Account - Sacramento			\$ 69,114	\$ 195,955	2018		Overcollection	
	OPEB Balancing Account - Larkfield	\$ 2,515	\$ 15,026	2018	Overcollection				
	Pension Balancing Account - San Diego	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	\$ 605,521	\$ 127,688	2018		Overcollection	
	Pension Balancing Account - Monterey			\$ 2,120,285	\$ 376,680	2018		Overcollection	
	Pension Balancing Account - Monterey WW			\$ 194,047	\$ (1,233)	2018		Undercollection	
	Pension Balancing Account - Toro			\$ 21,844	\$ 3,248	2018		Overcollection	
	Pension Balancing Account - LA			\$ 837,280	\$ 146,612	2018		Overcollection	
	Pension Balancing Account - Ventura			\$ 510,272	\$ 78,685	2018		Overcollection	
	Pension Balancing Account - Sacramento			\$ 1,107,121	\$ 169,780	2018		Overcollection	
	Pension Balancing Account - Larkfield			\$ 153,717	\$ 38,639	2018		Overcollection	
	LA DSIC Surcharge Balancing Account			Tracks expenses eligible for collection under the pilot "Distribution-System-Infrastructure Charge for routine infrastructure Investment and associated surcharge collections.	D.07.08.030 August 23, 2007; Res W-4734-2, W-4776, W-4790, and AL 821, AL 1082-A	\$ -		\$ -	2015

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A negative balance reflects an undercollection.

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	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]	\$ (966,003)	\$ (982,075)	2018		Undercollection
	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	\$ (948,403)	\$ 101,999	2018	CPUC D.18-12-021 on Balancing and Memorandum Accounts, Special Request #5, #8, #11 and #18 adopting the 2018, 2019, and 2020 Revenue Requirement for California American Water Company dated December 13, 2018	Overcollection
	Monterey Coastal Water Project - Balancing Account	Track approved costs from the memorandum account, associated surcharge recoveries, and interest.	D.06.12.040; D.10.08.008	\$ 1,741,844	\$ 151,347	2018		Overcollection
	Carmel River Mitigation Program Balancing Account	Balance of previously recorded and transferred costs from the MPWMD User Fee Memorandum Account as outlined in Advice Letter 935 along with tracking annual billings from the District to CAW for the Interim Implementation Agreement for the Carmel River Mitigation Program.	D12.06.016; June 7, 2012	\$ -	\$ -	2018		N/A
	Monterey Peninsula Water Management District Conservation Balancing Account	Tracks conservation-related expenses and surcharges connected to MPWMD's conservation program.		\$ (1)	\$ -	2017		N/A

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	Larkfield Conservation Balancing Account	Track conservation-related expenses and surcharges associated with California American Water's conservation efforts	D.12.06.016; June 7, 2012	\$ 1,758	\$ (1,826)	2018	CPUC D.18-12-021 on Balancing and Memorandum Accounts, Special Request #5, #8, #11 and #18 adopting the 2018, 2019, and 2020 Revenue Requirement for California American Water Company dated December 13, 2018	Undercollection
	Los Angeles Conservation Balancing Account		D.12.06.016; June 7, 2012	\$ (41,846)	\$ (162,865)	2018		Undercollection
	Monterey Conservation Balancing Account		D.12.06.016; June 7, 2012	\$ (68,781)	\$ (463,337)	2018		Undercollection
	Sacramento Conservation Balancing Account		D.12.06.016; June 7, 2012	\$ (43,347)	\$ (158,843)	2018		Undercollection
	San Diego Conservation Balancing Account		D.12.06.016; June 7, 2012	\$ (51,360)	\$ (156,281)	2018		Undercollection
	Ventura Conservation Balancing Account		D.12.06.016; June 7, 2012	\$ (49,882)	\$ (162,838)	2018		Undercollection
	San Diego WRAM/MCBA	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	\$ (4,590,983)	\$ (3,156,292)	2017	District WRAM/MCBA Annual Reports	Undercollection
	Los Angeles WRAM/MCBA		D.08.06.002; June 12, 2008 and AL 1042	\$ (4,877,004)	\$ (4,856,580)	2017		Undercollection
	Ventura WRAM/MCBA		D.08.11.023; November 6, 2008 & AL 988	\$ (10,262,103)	\$ (9,642,788)	2017		Undercollection
	Larkfield WRAM/MCBA		D.09.07.021; July 9, 2009	\$ (1,499,303)	\$ (1,706,038)	2017		Undercollection
	Monterey WRAM/MCBA		D.09.07.021 July 9, 2009 & AL 1029	\$ (52,700,195)	\$ (50,842,684)	2016		Undercollection
	Monterey-Ambler WRAM/MCBA		D.09.07.021; July 9, 2009 & AL 1028	\$ (921,612)	\$ (970,207)	2016		Undercollection
	Monterey-Toro WRAM/MCBA		D.15-04-007	\$ (565,992)	\$ (621,698)	2016		Undercollection
	Sacramento WRAM/MCBA		D.15-04-007	\$ (20,167,808)	\$ (17,308,853)	2017		Undercollection

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	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	\$ (1,863,484)	\$ (1,188,581)	2018		Undercollection
	Monterey WW Purchased Power Balancing Account	Tracks differences in purchased power expenses based upon changes in recorded unit prices versus adopted in the Monterey Waste Water district.	D.12.06.016; June 7, 2012	\$ (316,823)	\$ (177,372)	2018	CPUC D.18-12-021 on Balancing and Memorandum Accounts, Special Request #5, #8, #11 and #18 adopting the 2018, 2019, and 2020 Revenue Requirement for California American Water Company dated December 13, 2018	Undercollection
	Sacramento Purchased Water and Power Balancing Account	Tracks differences in purchased power expenses based upon changes in recorded unit prices versus adopted in the Sacramento district.	D.12.06.016; June 7, 2012	\$ (195,074)	\$ -	2017		N/A
	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	\$ -	\$ -	2017		N/A
	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	\$ (291,045)	\$ (164,774)	2018	CPUC D.18-12-021 on Balancing and Memorandum Accounts, Special Request #5, #8, #11 and #18 adopting the 2018, 2019, and 2020 Revenue Requirement for California American Water Company dated December 13, 2018	Undercollection
	Consolidated Expense Balancing Account - Coronado	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	\$ 60,461.06	\$ 160,033.16	2018	D.18-12-021	Overcollection
	Consolidated Expense Balancing Account - Monterey			\$ (4,984,836.71)	\$ (1,836,617.45)	2018		Undercollection
	Consolidated Expense Balancing Account - Monterey WW			\$ 19,837.18	\$ 72,322.01	2018		Overcollection
	Consolidated Expense Balancing Account - Toro			\$ (51,659.23)	\$ (16,001.86)	2018		Undercollection
	Consolidated Expense Balancing Account - LA			\$ (251,518.45)	\$ (162,454.80)	2018		Undercollection

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	Consolidated Expense Balancing Account - Ventura	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	\$ 6,505.53	\$ (46,743.77)	2018	D.18-12-021	Undercollection
	Consolidated Expense Balancing Account - Sacramento			\$ (1,578,406.02)	\$ (571,855.19)	2018		Undercollection
	Consolidated Expense Balancing Account - Larkfield			\$ (108,450.95)	\$ (62,896.73)	2018		Undercollection
	Consolidated Expense Balancing Account -Monterey (Ambler)			\$ 35,501.80	\$ 36,112.53	2018		Overcollection
	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	\$ 15,756	\$ 16,343	2018	AL 1091/D.18.12.021	Overcollection
	Low-Income Ratepayer Assistance (LIRA) Program Balancing Account -San Diego	Track LIRAP discounts provided, the LIRAP surcharges collected and to adjust the LIRAP surcharges on January 1 of each year.	D.15-04-007	\$ (903,991)	\$ (968,634)	2018	CPUC D.18-12-021 on Balancing and Memorandum Accounts, Special Request #5, #8, #11 and #18 adopting the 2018, 2019, and 2020 Revenue Requirement for California American Water Company dated December 13, 2018	Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program Balancing Account - Ventura			\$ 242,903	\$ 318,022	2018		Overcollection
	Low-Income Ratepayer Assistance (LIRA) Program Balancing Account - Sacramento			\$ (1,447,819)	\$ (1,508,496)	2018		Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program Balancing Account - Larkfield			\$ (38,206)	\$ (32,724)	2018		Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program Balancing Account - Monterey			\$ (72,980)	\$ (94,788)	2018		Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program Balancing Account - Los Angeles			\$ (1,054,462)	\$ (1,094,453)	2018		Undercollection
				\$ (102,826,499)	\$ (96,303,624)			

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Revenue Requirement	San Diego - Authorized Requirement		D.18-12-021	\$ 27,604,192	\$ 30,933,100			
	Los Angeles - Authorized Requirement		D.18-12-021	\$ 32,125,145	\$ 34,445,900			
	Ventura - Authorized Requirement		D.18-12-021	\$ 38,053,595	\$ 37,495,500			
	Monterey - Authorized Requirement		D.18-12-021	\$ 54,291,556	\$ 58,615,334			
	Monterey WW- Authorized Requirement		D.18-12-021	\$ 3,233,289	\$ 3,325,700			
	Toro - Authorized Requirement		D.18-12-021	\$ 795,582	\$ -			
	Sacramento - Authorized Requirement		D.18-12-021	\$ 56,832,057	\$ 54,614,400			
	Larkfield - Authorized Requirement		D.18-12-021	\$ 3,068,276	\$ 3,116,400			
	Dunnigan - Authorized Requirement		AL 1106	\$ 171,108	\$ -			
	Geyersville - Authorized Requirement		D.18-12-021	\$ 360,800	\$ -			
	Meadowbrook - Authorized Requirement		D.18-12-021	\$ 877,000	\$ -			
				\$ 217,412,600	\$ 222,546,334			
Service Connections ²	San Diego			22,600	22,968			
	Los Angeles			30,298	30,495			
	Ventura			23,392	23,407			
	Monterey			44,067	44,340			
	Monterey WW			2,607	2,484			
	Sacramento			65,573	65,692			
	Larkfield			2,127	2,352			
	Dunnigan			253	242			
	Geyersville			318	354			
	Meadowbrook			1,695	1,868			
				192,930	194,202			

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

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February 15, 2019

Subject: Authorized Balancing Account Outstanding Balances ^(A)

In Response to Ms. Rocha’s July 30, 2018 email (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 amount authorized for recovery in Cal-Am’s last General Rate Case (D.18-12-021), or the most recently reviewed balance as designated below. In instances where “authorized revenue amounts” were not provided in the Appendices to D.18-12-021, Cal-Am 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.”

District	Balancing Account	Balance at 12/31/2018	Most Recent Conducted Review		% Differential
			Balance	GRC/AL	
San Diego	OPEB	99,910	10,654	D.18.12.021	-837.8%
Monterey	OPEB	412,201	32,542	D.18.12.021	-1166.7%
Monterey WW	OPEB	46,004	3,116	D.18.12.021	-1376.4%
Toro	OPEB	1,763	40	D.18.12.021	-4308.7%
LA	OPEB	174,809	16,318	D.18.12.021	-971.3%
Ventura	OPEB	74,028	7,059	D.18.12.021	-948.7%
Sacramento	OPEB	195,955	19,637	D.18.12.021	-897.9%
Larkfield	OPEB	15,026	951	D.18.12.021	-1480.0%
San Diego	Pension	127,688	209,998	D.18.12.021	39.2%
Monterey	Pension	376,680	624,614	D.18.12.021	39.7%
Monterey WW	Pension	(1,233)	76,771	D.18.12.021	101.6%
Toro	Pension	3,248	1,135	D.18.12.021	-186.2%
LA	Pension	146,612	320,789	D.18.12.021	54.3%

Table 1, continued

District	Balancing Account	Balance at 12/31/2018	Most Recent Conducted Review		% Differential
			Balance	GRC/AL	
Ventura	Pension	78,685	157,644	D.18.12.021	50.1%
Sacramento	Pension	169,780	375,844	D.18.12.021	54.8%
Larkfield	Pension	38,639	32,992	D.18.12.021	-17.1%
Monterey	SCD Project	101,999	(48,959,270)	D.18.12.021	100.2%
Larkfield	Conservation	(1,826)	(45,700)	D.18-12-021	96.0%
LA	Conservation	(162,865)	(532,288)	D.18-12-021	69.4%
Monterey	Conservation	(463,337)	(2,298,500)	D.18-12-021	79.8%
Sacramento	Conservation	(158,843)	(837,888)	D.18-12-021	81.0%
San Diego	Conservation	(156,281)	(448,388)	D.18-12-021	65.1%
Ventura	Conservation	(162,838)	(638,388)	D.18-12-021	74.5%
San Diego	WRAM/MCBA	(3,156,292)	(4,466,987)	AL 1194	29.3%
Larkfield	WRAM/MCBA	(1,706,038)	(1,224,021)	AL 1198	-39.4%
Monterey	WRAM/MCBA	(50,842,684)	(2,488,319)	AL 1199	-1943.3%
Monterey-Ambler	WRAM/MCBA	(970,207)	(861,868)	AL 1197	-12.6%
Monterey-Toro	WRAM/MCBA	(621,698)	(522,018)	AL 1193	-19.1%
Monterey WW	Purchased Power	(177,372)	108,920	D.18-12-021	262.8%
Monterey	Seaside Basin Adjudication	\$ (164,774)	821,304	D.18-12-021	120.1%
San Diego	CEBA	\$ 160,033	(884,259)	D.18-12-021	118.1%
Monterey	CEBA	\$ (1,836,617)	(9,301,456)	D.18-12-021	80.3%
Monterey WW	CEBA	\$ 72,322	(9,398)	D.18-12-021	869.5%
Toro	CEBA	\$ (16,002)	(150,560)	D.18-12-021	89.4%
LA	CEBA	\$ (162,455)	(2,497,053)	D.18-12-021	93.5%
Ventura	CEBA	(46,744)	(1,295,568)	D.18-12-021	96.4%
Sacramento	CEBA	(571,855)	543,485	D.18-12-021	205.2%
Larkfield	CEBA	(62,897)	(335,648)	D.18-12-021	81.3%
Garrapata	Garrapata SDWSF Loan Repay	16,343	(6,311)	W-4788	359.0%
San Diego	LIRA	(968,634)	(185,864)	D.15.04.007	-421.2%
Ventura	LIRA	318,022	(188,004)	D.15.04.007	269.2%
Sacramento	LIRA	(1,508,496)	(741,845)	D.15.04.007	-103.3%
Monterey	LIRA	(94,788)	(1,086)	D.15.04.007	-8628.2%
LA	LIRA	(1,094,453)	(479,290)	D.15.04.007	-128.3%

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

RESPONSE: Cal-Am interprets “authorized revenue amount” to be the most recent amount authorized for recovery in Cal-Am’s last General Rate Case (D.18-12-021), or the most recently reviewed balance as designated below. In instances where “authorized revenue amounts” were not provided in the Appendices to D.18-12-021, Cal-Am 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).

District	Balancing Account	Authorized Balance	Balance Reviewed In
Monterey	WRAM/MCBA	(50,842,684)	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	215.0%
Monterey	OPEB	122.7%
Monterey WW	OPEB	94.1%
LA	OPEB	151.4%
Ventura	OPEB	158.2%
Sacramento	OPEB	183.5%
Larkfield	OPEB	497.4%
San Diego	Pension	-78.9%
Monterey	Pension	-82.2%
LA	Pension	-82.5%
Ventura	Pension	-84.6%

Table 3, Continued

District	Balancing Account	Fluctuation from Previous Annual Balance (%)
Sacramento	Pension	-84.7%
Larkfield	Pension	-74.9%
Monterey	SCD Project	-110.8%
Monterey	Coastal Water Project	-91.3%
LA	Conservation	289.2%
Monterey	Conservation	573.6%
Sacramento	Conservation	266.4%
San Diego	Conservation	204.3%
Ventura	Conservation	226.4%
San Diego	WRAM/MCBA	-31.3%
Monterey	Sand City Desalinization Plant	-36.2%
Monterey WW	Purchased Power	-44.0%
Monterey	Seaside Basin Adjudication	-43.4%
Ventura	Consolidated Expense	164.7%
Monterey	Consolidated Expense	-63.2%
Monterey WW	Consolidated Expense	264.6%
Toro	Consolidated Expense	-69.0%
LA	Consolidated Expense	-35.4%
Ventura	Consolidated Expense	-818.5%
Sacramento	Consolidated Expense	-63.8%
Larkfield	Consolidated Expense	-42.0%
Ventura	LIRA	30.9%
Larkfield	LIRA	-14.3%
Monterey	LIRA	29.9%

(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.18-12-021) 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.