



February 16, 2021

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: 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.”

Table 1

District	Balancing Account	Balance at 12/31/2020	Most Recent Conducted Review		% Differential
			Authorized Balance	GRC/AL	
All Districts	OPEB	3,496,688	76,263	D.18-12-021	-4485.0%
All Districts	Pension	2,019,677	1,482,872	D.18-12-021	-36.2%
All Districts	Conservation	4,356,675	(4,801,752)	AL 1225	190.7%
All Districts	WRAM/MCBA	(44,452,610)	(67,174,348)	AL 1263	33.8%
Monterey WW	Purchased Power	(241,339)	(275,807)	D.18-12-021	12.5%
Monterey	Seaside Groundwater Basin	482,742	291,293	D.18-12-021	-65.7%
Monterey	Seaside Basin Adjudication	(12)	821,304	AL 1226	100.0%
All Districts	CEBA	(6,935,025)	(10,814,385)	AL 1230-A	35.9%
Garrapata	SDWSF Loan Repayment	(18,555)	(114,813)	W-4788	83.8%
All Districts	LIRA	2,237,250	(3,982,630)	D.18-12-021	156.2%

(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).

Table 2

District	Balancing Account	Authorized Balance	Balance Reviewed In
Monterey	San Clemente Dam Project	(80,684,865)	D.18-12-021
All Districts	WRAM/MCBA	(44,452,610)	D.18-12-021

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

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:

Table 3

District	Balancing Account	Fluctuation from Previous Annual Balance (%)
All Districts	Conservation	38.0%
All Districts	WRAM/MCBA	-52.8%

- (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.

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2020	Balance as of December 2020	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	\$ 2,853,437	\$ 3,496,688	2019	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
	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	\$ 2,025,404	\$ 2,019,677	2019	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
	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];	\$ (34,464)	\$ (34,482)	2019	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
	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;	\$ (81,957,170)	\$ (80,684,865)	2019		Undercollection
	Monterey One-Way Leak Adjustment Balancing Account	Tracks leak adjustments authorized but not granted.	D.18-12-021	\$ -	\$ -	2019		Overcollection
	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	\$ 2,700,956	\$ 4,356,675	2019	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
	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	\$ (67,916,902)	\$ (44,452,610)		District WRAM/MCBA Annual Reports	Undercollection

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2020	Balance as of December 2020	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
	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	\$ (448,000)	\$ (448,231)	2019	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
	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	\$ (213,031)	\$ (241,339)	2019		Undercollection
	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	\$ 437,558	\$ 482,742	2019	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 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	\$ (3)	\$ (12)	2019		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	\$ (5,728,868)	\$ (6,935,025)	2019	D.18-12-021	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	\$ (18,091)	\$ (18,555)	2019	AL 1091/D.18.12.021	Undercollection
	Low-Income Ratepayer Assistance (LIRA) Program Balancing Account - All Districts	Track LIRA discounts provided, the LIRA surcharges collected and to adjust the LIRA surcharges on January 1 of each year.	D.18-12-021	\$ 1,866,468	\$ 2,237,250	2019	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
	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	\$ (1,839,080)	\$ (2,212,753)	2019	CPUC D.18.12-021 on Balancing and Memorandum Accounts, Special Request #2, adopting the 2018, 2019, and 2020 Revenue Requirement for California American Water Company dated December 13, 2018.	Undercollection

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2020	Balance as of December 2020	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
	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	\$ (859,143)	\$ 2,185	2020		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	\$ -	\$ (36)	2020		Undercollection
	Hillview SDWSRF Loan Repayment Balancing Accounts	Track recovery of the balance on SDWSRF loan	D. 19-11-003, Nov 2019, Advice Letter 1299-A	\$ -	\$ (134,381)	2020		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	\$ -	\$ (123,323)	2020		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	\$ -	\$ (221,293)	2020		Undercollection
				\$ (149,130,927)	\$ (122,911,688)			

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of June 2020	Balance as of December 2020	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
Revenue Requirement	San Diego	Authorized Requirement	D.18-12-021, AL 1269, January 1, 2020	\$ 32,257,878	\$ 32,257,878			
	Los Angeles		D.18-12-021, AL 1272, January 1, 2020	\$ 36,377,650	\$ 36,377,650			
	Ventura		D.18-12-021, AL 1268, January 1, 2020	\$ 38,720,383	\$ 38,720,383			
	Monterey		D.18-12-021, AL 1271, January 1, 2020	\$ 69,926,554	\$ 69,926,554			
	Central Satellite		D.18-12-021, AL 1271, January 1, 2020	\$ 1,975,108	\$ 1,975,108			
	Monterey WW		D.18-12-021, AL 59-S, January 1, 2020	\$ 3,444,471	\$ 3,444,471			
	Monterey - Toro			\$ -	\$ -			
	Sacramento		D.18-12-021, AL 1270-B, January 1, 2020	\$ 57,234,974	\$ 57,234,974			
	Larkfield		D.18-12-021, AL 1270-B, January 1, 2020	\$ 3,116,375	\$ 3,116,375			
	Dunnigan WW		D.18-12-021, AL 60-S, January 1, 2020	\$ 105,577	\$ 105,577			
	Geyersville (included in Sacramento)		D.18-12-021, AL 1270-B, January 1, 2020	\$ -	\$ -			
	Meadowbrook (included in Sacramento)		D.18-12-021, AL 1270-B, January 1, 2020	\$ -	\$ -			
	All Districts				\$ 243,158,970	\$ 243,158,970		
Service Connections ²	San Diego			22,765	22,765			
	Los Angeles			30,880	30,880			
	Ventura			23,364	23,364			
	Monterey			44,267	44,267			
	Monterey WW			2,449	2,449			
	Sacramento			68,040	68,040			
	Larkfield			2,525	2,525			
	Dunnigan WW			128	128			
	Geyersville (included in Sacramento)			-	-			
	Meadowbrook (included in Sacramento)			-	-			
	All Districts			194,418	194,418			

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) CoBank Loan Repayment Balancing Account Information to be provided in a supplemental filing