CALIFORNIA-AMERICAN WATER COMPANY

655 W. Broadway, Suite 1410 San Diego, CA 92101

Revised Cancelling Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. 10212-W 9681-W

# PRELIMINARY STATEMENT (Continued)

Sheet 1

## **Group Insurance Balancing Account ("GIBA")**

#### 1. PURPOSE:

The purpose of the Group Insurance Balancing Account ("GIBA") is to track the difference between Commission-authorized net Company costs on a per employee basis and the actual level of net Company costs incurred on a per employee basis in relation to group insurance costs. California American Water was granted authority to establish this account in Decision D.18-12-021.

(D)

### 2. APPLICABILITY:

All areas served by California American Water.

#### 3. ACCOUNTING PROCEDURE:

The following entries shall be recorded to the balancing account:

- a. The GIBA shall be calculated monthly. The calculation shall be the expense difference of the net approved costs and the net actual costs incurred on a per employee basis. Net group insurance costs are defined as total incurred costs less all reimbursements from those participating in the plan as adjusted for capitalized costs.
- b. A debit or credit entry will be created each month to record the expense difference discussed above.
- c. A debit or credit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90-day Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

### **RATEMAKING PROCEDURE:**

There is currently no ratemaking component to the balancing account. Requests for recovery of any balance are to be processed according to General Order 96-B and Standard Practices or otherwise determined in a Commission decision. Upon Commission review and approval, balances shall be transferred to the appropriate district CEBA's for recovery/refund.

(Continued)

(TO BE INSERTED BY UTILITY) ISSUED BY (TO BE INSERTED BY C.P.U.C.) Advice 1353 J. T. LINAM Date Filed 12/23/2021 03/04/2022 Decision **DIRECTOR** - Rates & Regulatory Effective Resolution