PRELIMINARY STATEMENT   Sheet 1
(Continued)

T.   Other Post-Employment Benefits Balancing Account ("OPEBBA")   (L)(T)

1.   PURPOSE:

The purpose of the Other Post-Employment Benefits Balancing Account ("OPEBBA") is to track the difference between Commission-authorized Other Post-Employment Benefits ("OPEB") costs and   (T)
actual OPEB payments calculated according Federal Accounting Standard 106. California
American Water was granted authority to continue this account in Decision (D.) 18-12-021.   (T)

2. APPLICABILITY:

All areas served by California American Water

3. ACCOUNTING PROCEDURE:

The following entries shall be recorded to the balancing account:

   a.   The OPEBBA shall be calculated monthly. The calculation shall be the expense difference of the adopted costs and the actual required payments.

   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.

   d.   A credit entry will be made to transfer the balances to the appropriate district Consolidated Expense Balancing Account's ("CEBA") upon Commission approval.   (T)

4. 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.

                                                                                         (L)

(Continued)