

PRELIMINARY STATEMENT
(Continued)

Sheet 1

U. Pension Balancing Account (“PBA”)

1. PURPOSE:

The purpose of the Pension Balancing Account (“PBA”) is to track the difference between Commission-authorized pension costs and actual pension payments calculated according to ERISA. California American Water was granted authority to continue this account in Decision (D.) 21-11-018.

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2. APPLICABILITY:

All areas served by California American Water

3. ACCOUNTING PROCEDURE:

The following entries shall be recorded to the balancing account:

- a. The PBA 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.

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.

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