

PRELIMINARY STATEMENT (Continued)

Sheet 1

Y. Seaside Groundwater Basin Balancing Account ("SGBA")

1. PURPOSE:

The SGBA 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 Service Area. California American Water was granted authority to continue this account in Decision (D.) 21-11-018.

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2. APPLICABILITY:

The Monterey Service Area, which includes Monterey Main, Hidden Hills, Bishop and Ryan Ranch

3. ACCOUNTING PROCEDURE:

The following entries will be recorded to the balancing account:

- a. A debit entry equal to the actual costs associated with the administrative and other payments made to the Seaside Basin Water Master.
b. A credit entry equal to the amount of costs authorized in the revenue requirement per the general rate case.
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 non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

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 Consolidated Expense Balancing Account ("CEBA") for recovery/refund.

(Continued)

Table with 3 columns: (TO BE INSERTED BY UTILITY), ISSUED BY, (TO BE INSERTED BY C.P.U.C.). Rows include Advice, Decision, Date Filed, Effective, and Resolution.