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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: California American Water interprets "authorized revenue amount" to be the most recent amount authorized for recovery in California American Water's last General Rate Case (D.24-12-025), or the most recently reviewed balance as designated below. 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 06/30/25	Most Recent Conducted Review		% Differential
			Authorized Balance	GRC/AL	
All Districts	OPEB Balancing Account	(385,259)	2,392,920	D.24-12-025	-116.1%
All Districts	Pension Balancing Account	2,024,955	(66,220)	D.24-12-025	3157.9%
Central Division	Monterey San Clemente Dam Project Balancing Account	54,282,054	(6,332,432)	D.24-12-025	957.2%
All Districts	Conservation Balancing Account	9,145	1,850,760	D.24-12-025	-99.5%

			Most Recent Conducted Review		
All Districts	WRAM/MCBA	(1,585,652)	(3,598,604)	AL 1439-1441	55.9%
Central Division	Monterey WW Purchased Power Balancing Account	(171,198)	105,938	D.24-12-025	-261.6%
Central Division	Monterey Seaside Groundwater Basin Balancing Account	16,682	203,091	D.24-12-025	-91.8%
All Districts	Consolidated Expense Balancing Account	2,644,626	(2,518,166)	D.24-12-025	205.0%
Central Division	Garrapata SDWSRF Loan Repayment Balancing Accounts	23,513	(114,813)	AL 1091	120.5%
All Districts	Customer Assistance Program (CAP) Balancing Account	902,302	(5,799,415)	D.24-12-025	115.6%
All Districts	Group Insurance	(2,644,235)	(562,859)	D.24-12-025	-369.8%
All Districts	Incremental Cost Balancing Account	(175,997)	908,882	D.24-12-025	-119.4%
All Districts	Conservation Adjustment for Rate Tier Designs Mechanism (CART)	14,727,579	8,946,952	D.24-12-025	64.6%
Northern Division	Fruitridge SDWSRF Loan Repayment Balancing Accounts loan D. 06-04-073	109,872	(3,272,505)	D.19-12-038	103.4%
Northern Division	Fruitridge SDWSRF Loan Repayment Balancing Accounts loan D. 10-05-043	234,819	(1,675,811)	D.19-12-038	114.0%

*The revenue requirement reflected here is the 2025 Annual Consumption Adjustment Mechanism ("ACAM").

- (2) Balancing accounts with an authorized revenue amount that is in the top 25th percentile of all balancing accounts.

RESPONSE: California American Water interprets “authorized revenue amount” to be the most recent amount authorized for recovery in California American Water’s last General Rate Case (D.24-12-025), or the most recently reviewed balance as designated below. 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
Central Division	Monterey San Clemente Dam Project Balancing Account	(6,332,432)	2024

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

RESPONSE: California American Water 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	OPEB Balancing Account	25.9%
All Districts	Pension Balancing Account	22.8%
All Districts	WRAM/MCBA	287.6%
All Districts	Consolidated Expense Balancing Account	-78.2%
All Districts	Customer Assistance Program (CAP) Balancing Account	172.6%
All Districts	Incremental Cost Balancing Account	575.8%
All Districts	Conservation Adjustment for Rate Tier Designs Mechanism (CART)	100.0%

District	Balancing Account	Fluctuation from Previous Annual Balance (%)
Southern Division	Hillview Grant Tax Balancing Account	35.6%

(4) Balancing accounts that have not been reviewed in the previous three years.

RESPONSE: All of California American Water's balancing accounts were either reviewed in its most recent approved general rate case (D.24-12-025) 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.

<u>Utility Name</u>	<u>Balancing Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or Resolution or Advice Letter</u>	<u>Balance as of Dec 2024</u>	<u>Balance as of Jun 2025</u>	<u>Date Last Reviewed</u>	<u>Most Recent Conducted Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
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	\$(285,336)	\$(385,259)	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	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	\$1,563,136	\$ 2,024,955	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Undercollection

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	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;	\$55,606,087	\$54,282,054	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Undercollection
	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	\$9,124	\$9,145	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Undercollection

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	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	\$ 2,974,551	\$(1,585,652)	2024	Advice Letters 1439, 1440, and 1441	Overcollection

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	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	\$ (184,582)	\$ (171,198)	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Overcollection
	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	\$ 16,682	\$ 16,682	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Undercollection

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	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, AL 1353	\$ 4,713,446	\$ 2,644,626	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	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	\$23,062	\$23,513	2022	AL 1091/D.18.12.021	Undercollection
	Customer Assistance Program (CAP) Balancing Account - All Districts	Track CAP discounts provided, the CAP surcharges collected and to adjust the CAP surcharges on January 1 of each year.	D.18-12-021	\$ (655,516)	\$ 902,302	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Undercollection

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	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	\$(2,388,255)	\$(2,644,235)	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Overcollection
	Drinking Water Fees Balancing Account - All District	The purpose of the Drinking Water Fees Balancing Account (DWFBA) is to track the difference between all actual drinking water fees charged by the State Water Resources Control Board (State Water Board) and the drinking water fees authorized in rates.	Res. W-4698 AL 1428	\$ -	\$ -	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	No Collection

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	Incremental Cost Balancing Account	The purpose of this Purchased Water Incremental Cost Balancing Account (PW ICBA) is to record the difference between the cost of purchased water including pump tax costs and the adopted cost reflected in rates each month so that these differences can be trued-up after Commission review and approval. The purpose of this Purchased Power Incremental Cost Balancing Account (PP ICBA) is to record the difference between the cost of purchased power and the adopted cost reflected in rates each month so that these differences can be trued-up after Commission review and approval.	D.24-12-025, AL 1479, AL 1480, AL 1481-A	\$ 837,439	\$ (175,997)	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	Overcollection

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	Conservation Adjustment for Rate Tier Designs Mechanism (CART)	The purpose of the CART Balancing Account is to track the difference between revenues collected under standard rate design and revenues collected under conservation oriented rate design	D.24-12-025, AL 1472, AL 1473-A, AL 1474	\$ -	\$14,727,579	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	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	\$134,408	\$134,411	2022	D.19-11-003	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	\$109,869	\$109,872	2022	D.19-12-038	Undercollection

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	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	\$234,813	\$234,819	2022	D.19-12-038	Undercollection
	Hillview Water Treatment Balancing Account		D. 19-11-003, Nov 2019, Advice Letter 1299-A	\$	\$ -	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024	No Collection
	Hillview Grant Tax Balancing Account		W-5190	\$(44,391)	\$ (68,938)	2022	D.19-11-003	Overcollection
	East Pasadena Purchase Power Balancing Account*	East Pasadena Acquisition	D.21-08-002, September, 2021, Advice Letter 1347	\$	\$ -	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024. Account closed per decision.	No Collection

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	East Pasadena - Pumping Balancing account*	East Pasadena Acquisition	D.21-08-002, September, 2021, Advice Letter 1347	\$	\$ -	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024. Account closed per decision.	No Collection
	East Pasadena Purchased Water Balancing Account*	East Pasadena Acquisition	D.21-08-002, September, 2021, Advice Letter 1347	\$ -	\$ -	2024	CPUC D.24-12-025 on Balancing and Memorandum Accounts, adopting the 2024,2025, and 2026 Revenue Requirement for California American Water Company dated December 6, 2024. Account closed per decision.	No Collection
				\$62,664,538	\$70,078,679			

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Revenue Requirement	Northern Division	Authorized Requirement	1424 -- 2024 Water Cost of Capital Adjustment Mechanism	\$81,963,699	\$81,963,699			
	Central Division		1424 -- 2024 Water Cost of Capital Adjustment Mechanism	\$81,859,918	\$81,859,918			
	Southern Division		1424 -- 2024 Water Cost of Capital Adjustment Mechanism	\$133,673,999	\$133,673,999			
	Monterey Wastewater		1424 -- 2024 Water Cost of Capital Adjustment Mechanism	\$3,883,625	\$3,883,625			
	All Districts			\$ 301,381,242	\$ 301,381,242			

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Service Connections ²	San Diego			22,798	22,798			
	Los Angeles			36,138	36,138			
	Ventura			24,094	24,094			
	Monterey			44,036	44,036			
	Monterey WW			2,574	2,574			
	Sacramento			76,467	76,467			
	Larkfield			2,674	2,674			
	Dunnigan WW			166	166			
	Geysersville (included in Sacramento)			-	-			
	Meadowbrook (included in Sacramento)			-	-			
	Dunnigan (included in Sacramento)			-	-			
	Fruitridge (included in Sacramento)			-	-			
	Hillview (included in Sacramento)			-	-			
	Rio Plaza (included in Los Angeles)			-	-			

	East Pasadena (inlcuded in Los Angeles)			-	-			
	All Districts			208,947	208,947			