

California Water Service Company

	B	C	D	E	W	X	Y	Z	AA
	<u>Prelim</u>	<u>Balancing Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or Resolution or Advice Letter</u>	<u>Balance as of June 30, 2023</u>	<u>Balance as of December 31, 2023</u>	<u>Date Last Reviewed</u>	<u>Most Recent Conducted Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
1									
2			TOTAL CONNECTIONS AS OF:	As of 12/31/2023	489,218	490,069			
4	M	WRAM/MCBA	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.	D.08-02-036	\$ 91,624,023	\$ 64,159,900	2023	Water Division in AL 2477-A (4/7/23 for amort eff 5/5/23)	Net Undercollection. AL 2447-A 2021 authorized surcharges/credits starting 4/15/22-10/14/2023 AL 2477-A – 2022 WRAM Filing authorized surcharges/credits starting 5/05/2023-14/04/2025.
6	T	Lucerne BA	Records surcharge and service fee revenues as well as Safe Drinking Water State Revolving Fund payments and interest earned on funds deposited with the fiscal agent.	D.08-09-002; AL 1963-A. (Res. W-5149 approved surcharge increase; implementation via AL 2267-A effective 1/1/2018.)	\$ (3,593,303)	\$ (3,477,343)	2023	Water Division in 2023 annual review of DWR loans	Balance is the outstanding loan amount. No changes recommended by CPUC.
10	Z4	Conservation 2018 GRC (CEBA4)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2020-2022 costs.	D.20-12-007 (December 6, 2020); AL 2402 (1/27/2021 for creation eff 1/1/20); AL 2478 (3/31/23 for amort eff 5/05/23).	\$ (5,227,764)	\$ (2,243,764)	2023	Water Division in AL 2478 (April 2023)	To be refunded (overcollection). The CEBA4 covers years 2020 through Dec 2022 for all ratemaking areas ("districts") included in Application 18-07-001. AL 2478 started amortization in 5/05/2023.
11	Z5	Conservation 2021GRC (CEBA5)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2023-2025 costs.	D.24-03-042 [advice letter for creation yet to be filed]	n/a	\$ (878,238)	2024	D.24-03-042 authorized creation retroactive to 1/1/23	Estimated amount to refund based on Year 1 authorized. (Will be evaluated as 3-year program. \$8.6 authorized compared to \$7.7 actual.)
15	AA3	Pension 2015 GRC (PCBA 3)	Tracks the difference between actual and authorized pension costs for 2017-2019.	D.16-12-042, OP 4 (to revise tariffs) and OP 17 (to modify balancing accounts); AL 2242 (12/30/16 for creation eff 1/1/17); AL 2406-A (5/27/21 for amort eff 6/15/2021)	\$ 2,001,793	\$ 1,978,129	2022	Cal Advocates' Report in 2021 GRC	Net Undercollection. (Opened via AL 2242 for period of 1/1/17-12/31/19.) 2017 and 2018 balances adjusted to reflect an accounting correction in 2018. Amortization surcharges via AL 2406-A for 12 or 24 months starting 6/15/21. Eligible to move to Dist BAs.
16	AA4	Pension 2018 GRC (PCBA 4)	Tracks the difference between actual and authorized pension costs for 2020-2022.	D.20-12-007 (December 6, 2020); AL 2402 (1/27/202 for creation eff 1/1/20); AL 2482 (6/9/23 for amort eff 7/31/2023)	\$ 17,409,975	\$ 10,981,538	2023	Water Division in AL 2482 (6/9/23) authorizing amortization	Net Undercollection. The PCBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in A.18-07-001. AL 2482 amortization for 1 yr started 7/31/2023.
17	AA5	Pension 2021 GRC (PCBA 5)	Tracks the difference between actual and authorized pension costs for 2023-2025.	D.24-03-042 [advice letter for creation yet to be filed]	n/a	\$ (5,137,239)	2024	D.24-03-042 authorized creation retroactive to 1/1/23	Estimated amount to refund based on Year 1 authorized. (Will be evaluated as 3-year program.)
19	AB3	Health Cost BA - 2015 GRC (HCBA3)	Tracks 85% of the difference between actual and authorized health care costs for 2017-2019.	D.16-12-042, OP 4 (to revise tariffs) and OP 17 (to modify or eliminate balancing accounts); AL 2242 (12/30/16 for creation eff 1/1/17); AL 2406-A (5/27/21 for amort eff 6/15/2021)	\$ -	\$ -	2022	Cal Advocates' Report in 2021 GRC	Net Overcollection. (Opened via AL 2242 for period of 1/1/17-12/31/19.) 2017 and 2018 balances adjusted to reflect an accounting correction in 2018. Amortization credits via AL 2406-A for 6/15/21-6/14/22. Balance of -\$79.856.017 was moved to Dist BAs.

Unless otherwise specified, a positive balance reflects an overcollection, and a negative balance reflects an undercollection.

	B	C	D	E	W	X	Y	Z	AA
	<u>Prelim</u>	<u>Balancing Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or Resolution or Advice Letter</u>	<u>Balance as of June 30, 2023</u>	<u>Balance as of December 31, 2023</u>	<u>Date Last Reviewed</u>	<u>Most Recent Conducted Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
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20	AB4	Health Cost 2018 GRC (HCBA4)	Tracks 85% of the difference between actual and authorized health care costs for 2020-2022.	D.20-12-007 (December 6, 2020); AL 2402 (1/27/2021 for creation eff 1/1/20); AL 2482 (6/9/23 for amort eff 7/31/23)	\$ (14,042,588)	\$ (8,678,189)	2023	Water Division in AL 2482 (6/9/23) authorizing amortization	Net Overcollection. The HCBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in A.18-07-001. AL 2482 – amortization for 1 year started 7/31/2023.
21	AB5	Health Cost 2021 GRC (HCBA5)	Tracks 85% of the difference between actual and authorized health care costs for 2023-2025.	D.24-03-042 [advice letter for creation yet to be filed]	n/a	\$ (3,120,663)	2024	D.24-03-042 authorized creation retroactive to 1/1/23	Estimated amount to refund based on Year 1 authorized. (Will be evaluated as 3-year program.)
22	AJ	CAP/LIRA Balancing Account	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.	D.12-09-020 (September 13, 2012); Res. W-2086-A	\$ 3,281,121	\$ 2,459,278	2023	AL 2498 (surcharge recalculated)	Net Undercollection. Surcharge re-calculated in AL 2461 became effective 1/1/2023.
23	AM	RSF Balancing Account	The Rate Support Fund tracks the subsidy for all customers in designated high-cost districts, and the surcharges collected to fund the program.	D.10-12-017 (December 9, 2010); D.14-08-011 (August 14, 2014)	\$ (297,595)	\$ (2,115,558)	2023	AL 2499 (surcharge recalculated)	Net Overcollection. Surcharge re-calculated in AL 2462 became effective 1/1/2023.
24	AP	District-Specific BAs	District-specific accounts in which small amounts, such as residuals from amortizations, are aggregated for later disposition.	D.14-08-011; AL 2139	\$ 613,483	\$ 609,730	2024	Amortization authorized in D.24-03-042	Net Undercollection. In AL 2409, surcharges to amortize \$6.8M effective 4/15/21-4/14/22. Collected \$6.4M as of 04/15/2022.
25	BF	DWFBA AL-2497-A	The "Drinking Water Fees Balancing Account" tracks all drinking water fees charged by the Water Board that are incremental to existing rates. Replaces "Drinking Water Fees MA" originally approved as Prelim. BB in AL 2438 filed 12/16/21 with effective date of 12/16/21.	AL 2497-A (11/30/23 for creation eff back to 12/16/21)	\$ 978,102	\$ 1,377,674	2023	Water Division approved creation in AL 2497-A in December 2023	Net Undercollection.
29									
30					\$ 92,747,247	\$ 55,915,255			
31									

Unless otherwise specified, a positive balance reflects an overcollection, and a negative balance reflects an undercollection.

Email dated 7/13/2018 from Carmen Rocha:

"The semi-annual balancing account filings for the Class A and B utilities as of December 31, 2023, are due by February 15th. This is a reminder of the upcoming due date. In addition, please identify each balancing account consistent with the following criteria:"

(1) Balancing accounts with a quarter-end balance with more than a 10-percent differential from the balancing account's authorized revenue amount.

Clarification email from Carmen Rocha: This is the revenue required for the particular balancing account.

<u>"Revenue Requirement" Defn</u>	<u>Balancing Account Name</u>	<u>Balance as of December 31, 2023</u>	<u>Balancing Account Description</u>
\$ 517,585,103	WRAM/MCBA	\$ 64,159,900	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.
\$ 8,566,084	Conservation 2021GRC (CEBA5)	\$ (878,238)	Estimated amount to refund based on Year 1 authorized. (Will be evaluated as 3-year program. \$8.6 authorized compared to \$7.7 actual.)
\$ 48,315,150	Pension 2018 GRC (PCBA 4)	\$ 10,981,538	Net Undercollection. The PCBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in A.18-07-001. AL 2482 amortization for 1 yr started 7/31/2023.
\$ 5,431,223	Pension 2021 GRC (PCBA 5)	\$ (5,137,239)	Estimated amount to refund based on Year 1 authorized. (Will be evaluated as 3-year program.)
\$ 56,135,165	Health Cost 2018 GRC (HCBA4)	\$ (8,678,189)	Net Overcollection. The HCBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in A.18-07-001. AL 2482 – amortization for 1 year started 7/31/2023.
\$ 14,036,985	Health Cost 2021 GRC (HCBA5)	\$ (3,120,663)	Estimated amount to refund based on Year 1 authorized. (Will be evaluated as 3-year program.)

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

CWS methodology: Cal Water now has 13 active balancing accounts. The following accounts are the four with the largest (negative or positive) balances.

	<u>Balancing Account Name</u>	<u>Balance as of December 31, 2023</u>	<u>Balancing Account Description</u>
M	WRAM/MCBA	\$ 64,159,899.69	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.
AA4	Pension 2018 GRC (PCBA 4)	\$ 10,981,538.19	Tracks the difference between actual and authorized pension costs for 2020-2022.
AA5	Pension 2021 GRC (PCBA 5)	\$ (5,137,238.87)	Tracks the difference between actual and authorized pension costs for 2023-2025.
AB4	Health Cost 2018 GRC (HCBA4)	(8,678,188.82)	Tracks 85% of the difference between actual and authorized health care costs for 2020 2022.

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

Clarification per 8/8/2018 email from Carmen Rocha: Those accounts that have fluctuations more than 20 percent from the previous semiannual balance.

M	WRAM/MCBA	\$ 64,159,899.69	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.
Z4	Conservation 2018 GRC (CEBA4)	\$ (2,243,764)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2020-2022 costs.
AA4	Pension 2018 GRC (PCBA 4)	\$ 10,981,538	Tracks the difference between actual and authorized pension costs for 2020-2022.
AB4	Health Cost 2018 GRC (HCBA4)	\$ (8,678,189)	Tracks 85% of the difference between actual and authorized health care costs for 2020 2022.
AJ	CAP/LIRA Balancing Account	\$ 2,459,278	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.
AM	RSF Balancing Account	\$ (2,115,558)	The Rate Support Fund tracks the subsidy for all customers in designated high-cost districts, and the surcharges collected to fund the program.

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

All active accounts have been reviewed within the past 3 years.