

California Water Service Company

	B	C	D	E	X	Y	Z	AA	AB
	<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 December 31, 2023</u>	<u>Balance as of June 30, 2024</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			<b>TOTAL CONNECTIONS AS OF:</b>	<b>as of 12/31/2023</b>	<b>490,069</b>	<b>491,331</b>			
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	\$ 64,159,900	\$ 6,324,149	2023	Water Division in AL 2447-A (March 2022) and AL 2477-A – (April 2023)	Net Undercollection. AL 2447-A (surcharges/credits for 4/15/22-10/14/2023). AL 2477-A (surcharges/credits for 5/05/2023-07/01/2024). AL 2520 (eliminate WRAM for res/com'l, applied federal arrearage funding of \$ - 45,970,015 to offset balance).
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 approving surcharge; implementation via AL 2267-A effective 1/1/2018.)	\$ (3,477,343)	\$ (3,347,410)	2023	Water Division in 2022 annual review of DWR loans	Balance is the outstanding loan amount. Balance pending review by WD (late submission of 2023 Annual Report was authorized).
9	Z3	Conservation 2015 GRC (CEBA 3)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2017-2019 costs.	D.16-12-042, OP 4 (revise tariffs) and OP 17 (modify/eliminate balancing accounts). AL 2242 (12/30/16).	\$ 0	\$ 0	2022	Public Advocates Testimony (Feb 2022) in 2021 GRC	Net Overcollection. In AL 2381, refund of \$2,949,320.5 for 4/15/20-4/14/21. Balance of -\$2769 moved to Dist BA in Q2 2021. Request to close account made in AL 2523 on 7/29/24.
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) Filed AL 2478 stat 5/05/2023	\$ (2,243,764)	\$ 21,545	2023	Water Division in AL 2478 (April 2023)	Net undercollection. The CEBA4 covers years 2020 through Dec 2022 for all ratemaking areas A.18-07-001. AL 2478 amortization started on 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 (3/7/24); AL 2523 (requested opening 7/29/24).	\$ (871,498)	\$ (1,077,186)		D.24-03-042 (authorization)	To be refunded (overcollection). The CEBA45 covers years 2023 through 2025 for all ratemaking areas included in 2021 GRC.
16	AA3	Pension 2015 GRC (PCBA 3)	Tracks the difference between actual and authorized pension costs for 2017-2019.	D.16-12-042, OP 4 (revise tariffs) and OP 17 (modify/eliminate balancing accounts); AL 2242 (12/30/16); AL 2406- Amortization of PCBA from 2015 start 6/15/2021	\$ 1,978,129	\$ -	2022	Cal Advocates 2021 GRC Report	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. <b>Transferred to DBA \$1,938,665</b>
17	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 (1/27/2021); AL 2482 (amortization)	\$ 10,981,538	\$ 4,821,160	2023	Water Division in AL 2482 (for amortization)	Net Undercollection. The PCBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in A.18-07-001. Amortization authorized in AL 2482 starting 7/31/2023.
18	AA5	Pension 2021 GRC (PCBA 5)	Tracks the difference between actual and authorized pension costs for 2023-2025.	D.24-03-042 (3/7/24); AL 2523 (requested opening 7/29/24).	\$ (8,972,400)	\$ (12,642,187)		D.24-03-042 (authorization)	To be refunded (overcollection). The PCBA5 covers years 2023 through 2025 for all ratemaking areas in the 2021 GRC.
21	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 (revise tariffs) and OP 17 (modify/eliminate balancing accounts); AL 2242 (12/30/16). AL 2406 (amortization).	\$ -	\$ -	2022	Cal Advocates 2021 GRC Report	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. <b>Balance of \$-65,242 was moved to Dist BAs.</b>
22	AB4	Health Cost BA - 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); AL 2482 (amortization)	\$ (8,678,189)	\$ (1,675,631)	2023	Water Division in AL 2482 (for amortization)	Net Overcollection. The HCBA4 covers years 2020 through 2022 for all ratemaking areas in A.18-07-001. Amortization authorized in AL 2482 starting 7/31/2023.
23	AB5	Health Cost BA - 2021 GRC (HCBA5)	Tracks 85% of the difference between actual and authorized health care costs for 2023-2025.	D.24-03-042 (3/7/24); AL 2523 (requested opening 7/29/24).	\$ (2,591,538)	\$ (3,022,919)		D.24-03-042 (authorization)	To be refunded (overcollection). The HCBA5 covers years 2023 through 2025 for all ratemaking areas in the 2021 GRC.

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

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	B	C	D	E	X	Y	Z	AA	AB
1	<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 December 31, 2023</u>	<u>Balance as of June 30, 2024</u>	<u>Date Last Reviewed</u>	<u>Most Recent Conducted Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
25	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	\$ 2,459,278	\$ 7,109,543	2023	Water Division in AL 2498 (December 2023)	Net Undercollection. Surcharge re-calculated in AL 2498 became effective 1/1/2024. Arrearage funding to offset balances: \$2,768,669 in 2022, and \$2,231,350 on May 31, 2024.
26	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)	\$ (2,115,558)	\$ 2,905,559	2023	Water Division in AL 2499 (December 2023)	Net Overcollection. Surcharge re-calculated in AL 2499 became effective 1/1/2024. Arrearage funding to offset balances: \$445,816 in 2022, and \$367,358 on May 31, 2024.
27	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	\$ 609,730	\$ 2,552,897	2022	Cal Advocates 2021 GRC Report	Net Undercollection. (As of 6.30.24, consists of HCBA3 \$65,242 + PCBA3 \$1,938,665.70 + CEBA3 (\$2,782) + 18GRC IRMA \$57,736.80 + DRMA \$274,002 + COC /TCJA \$29,422)

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  
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"</u> <u>Defn</u>	<u>Balancing Account Name</u>	<u>Balance as of June</u> <u>30, 2024</u>	<u>Balancing Account Description</u>
\$ 8,146,835	Pension 2021 GRC (PCBA 5)	\$ (12,642,187)	Tracks the difference between actual and authorized pension costs for 2023-2025.
\$ 56,135,165	Health Cost BA - 2018 GRC (HCBA4)	\$ (1,675,631)	Tracks 85% of the difference between actual and authorized health care costs for 2020-2022.
\$ 21,055,478	Health Cost BA - 2021 GRC (HCBA5)	\$ (3,022,919)	Tracks 85% of the difference between actual and authorized health care costs for 2023-2025.
\$ 18,305,266	CAP/LIRA Balancing Account	\$ 7,109,543	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.
\$ 4,827,134	RSF Balancing Account	\$ 2,905,559	The Rate Support Fund tracks the subsidy for all customers in designated high-cost districts, and the surcharges collected to fund the program.
\$ 6,875,408	District-Specific BAs	\$ 2,552,897	District-specific accounts in which small amounts, such as residuals from amortizations, are aggregated for later disposition.
\$ 1,517,574	DWBA	\$ 1,653,180	The Drinking Water Fees Balancing Account tracks the difference between the actual fees charged by the Water Board and the fees authorized in rates.

**(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 17 active balancing accounts. The following accounts are the five with the largest (negative or positive) balances.

	<u>Balancing Account Name</u>	<u>Balance as of June</u> <u>30, 2024</u>	<u>Balancing Account Description</u>
M	WRAM/MCBA	\$ 6,324,149	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.
AA5	Pension 2021 GRC (PCBA 5)	\$ (12,642,187)	Tracks the difference between actual and authorized pension costs for 2023-2025.
B25	CAP/LIRA Balancing Account	\$ 7,109,543	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.
BG	M-WRAM	\$ 39,270,806	The Monterey-Style Water Revenue Adjustment Account Balancing Account (M-WRAM) compares the quantity rate revenues collected under each residential tier rates to the revenues that would have been collected if a single quantity rate (SQR) had been in effect.
BH	Water ICBA	\$ (11,236,664)	The Purchased Water Incremental Cost Balancing Account (Water ICBA) tracks the difference between the actual cost of purchased water and the cost approved in rates.

**(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	\$ 6,324,149	Net Undercollection. AL 2447-A (surcharges/credits for 4/15/22-10/14/2023). AL 2477-A (surcharges/credits for 5/05/2023-07/01/2024). AL 2520 (eliminate WRAM for res/com'l, applied federal arrearage funding of \$ -45,970,015 to offset balance).
Z4	Conservation 2018 GRC (CEBA4)	\$ 21,545	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2020-2022 costs.
Z5	Conservation 2021GRC (CEBA5)	\$ (1,077,186)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2023-2025 costs.
AA4	Pension 2018 GRC (PCBA 4)	\$ 4,821,160	Tracks the difference between actual and authorized pension costs for 2020-2022.
AA5	Pension 2021 GRC (PCBA 5)	\$ (12,642,187)	Tracks the difference between actual and authorized pension costs for 2023-2025.
AB4	Health Cost BA - 2018 GRC (HCBA4)	\$ (1,675,631)	Tracks 85% of the difference between actual and authorized health care costs for 2020-2022.
AJ	CAP/LIRA Balancing Account	\$ 7,109,543	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.
AM	RSF Balancing Account	\$ 2,905,559	The Rate Support Fund tracks the subsidy for all customers in designated high-cost districts, and the surcharges collected to fund the program.
AP	District-Specific BAs	\$ 2,552,897	District-specific accounts in which small amounts, such as residuals from amortizations, are aggregated for later disposition.
BF	DWBA	\$ 1,653,180	The Drinking Water Fees Balancing Account tracks the difference between the actual fees charged by the Water Board and the fees authorized in rates.
BG	M-WRAM	\$ 39,270,806	The Monterey-Style Water Revenue Adjustment Account Balancing Account (M-WRAM) compares the quantity rate revenues collected under each residential tier rates to the revenues that would have been collected if a single quantity rate (SQR) had been in effect.
BH	Water ICBA	\$ (11,236,664)	The Purchased Water Incremental Cost Balancing Account (Water ICBA) tracks the difference between the actual cost of purchased water and the cost approved in rates.
BI	Pump Tax ICBA	\$ 150,245	The Pump Tax Incremental Cost Balancing Account (Pump Tax ICBA) tracks the difference between the actual cost of pump taxes and the cost approved in rates.
BJ	Power ICBA	\$ 1,920,782	The Purchased Power Incremental Cost Balancing Account (Power ICBA) tracks the difference between the actual cost of purchased power and the cost approved in rates.

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

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