



BALANCING ACCOUNTS PERFORMANCE AUDIT

Liberty Utilities (CalPeco Electric) LLC

January 1, 2024, through December 31, 2024

Utility Audits, Risk and Compliance Division
Utility Audits Branch
February 12, 2026



MEMBERS OF THE TEAM

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A digital copy of this report can be found at:

[Audit Reports by Industry \(ca.gov\)](#)

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PUBLIC UTILITIES COMMISSION

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Transmitted via e-mail

February 12, 2026

Crystal Greene
Vice President, Finance
Liberty Utilities (CalPeco Electric) LLC
14920 W Camelback Road
Litchfield Park, Arizona 85340

Dear Crystal Greene:

Final Report Transmittal Letter—Audit of Liberty Utilities (CalPeco Electric) LLC's (Liberty) Balancing Accounts for the Period of January 1, 2024, through December 31, 2024

The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) has completed its audit of the balancing accounts reported by Liberty Utilities (CalPeco Electric) LLC's (Liberty) for the period of January 1, 2024, through December 31, 2024. The final audit report is enclosed.

We issued the draft audit report on January 26, 2026. Liberty responded by email on February 9, 2026, indicating that it does not have any formal written comments concerning the findings and recommendations presented in the draft report. We will post the final audit report on our website at [Audit Reports by Industry \(ca.gov\)](https://www.cpuc.ca.gov/AuditReportsbyIndustry).

A Corrective Action Plan (CAP) addressing the findings and recommendations is required. Liberty should submit the CAP information including specific steps and target dates to address the recommendations within 45 calendar days from the issuance of this final report to: UtilityAudits@cpuc.ca.gov.

We appreciate Liberty's assistance and cooperation during the engagement. If you have any questions regarding this report, please contact Kevin Nakamura, Supervisor, at (916) 928-4736.

Sincerely,

Masha Vorobyeva for Angie Williams

Angie Williams, Director
Utility Audits, Risk and Compliance Division

cc: See next page

Crystal Greene
Vice President, Finance
Liberty Utilities (CalPeco Electric) LLC
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cc: Ahmed Abdul-Gawad, Director, Finance, Liberty
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EXECUTIVE SUMMARY

The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) conducted a performance audit of the balancing accounts administered and reported by Liberty Utilities (CalPeco Electric) LLC (Liberty) for the audit period of January 1, 2024, through December 31, 2024.

Our audit objectives were to determine whether 1) transactions recorded in Liberty's balancing accounts from January 1, 2024, through December 31, 2024, were for allowable purposes and supported by appropriate documentation; and 2) the balancing accounts were established and maintained as required by applicable Public Utilities (PU) Code sections, CPUC directives, orders, rules, regulations, and Liberty's policies and procedures.

Based on our audit objectives, procedures performed, samples tested, and evidence gathered, we found instances of noncompliance with the requirements. These instances are described in the Findings and Recommendations section of this audit report. The audit findings are as follows:

- **Finding 1: Inaccurate Reporting of Balancing Accounts Totaling \$1,737,003**

Liberty continued to report inaccurate information in its 2024 Annual Balancing and Memorandum Account Report (Annual Report) despite being notified of similar reporting errors in UAB's previous two balancing account audits.¹ Liberty's 2024 Annual Report contained discrepancies including the omission of three accounts with zero balances, inconsistent reporting of one balancing account as a memorandum account, and using inconsistent naming convention of some accounts. As a result, the total combined 2024 year-end under-collected balance for all of its reported balancing accounts should have been reported as \$126,457,714 instead of \$124,720,711.

- **Finding 2: Incorrect Interest Recorded and Reported Totaling \$2,875**

Liberty incorrectly recorded and reported interest in 12 of 14, or 86 percent of its balancing accounts totaling \$2,875 for the audit period. UAB previously reported on Liberty's inaccurate recording and reporting of balancing account interest in the two prior balancing account audits. In this current audit period, Liberty's errors in the recording and reporting of interest resulted from Liberty inconsistently applying its Preliminary Statements and specific accounting procedures pertaining to interest computations for each balancing account, incorrectly utilizing the wrong interest rate in three balancing accounts, and utilizing the incorrect average balances when computing interest rates in nine balancing accounts.

We issued a draft report on January 26, 2026. Liberty responded by email on February 9, 2026, indicating that it does not have any formal written comments concerning the findings and recommendations presented in the draft report.

¹ Both audit reports are publicly available and posted on UAB's website at [Audit Reports Energy Industry](#)

AUDIT REPORT

Background

Balancing Accounts

CPUC has a responsibility to authorize the rates that regulated utilities may charge their customers. Considering that the rates are derived from projected costs and projected consumption of service, CPUC authorizes regulated utilities to establish balancing accounts to track the actual costs and the related revenues the utilities collect from ratepayers for specified activities. The primary purpose of a balancing account is to ensure that a utility recovers its CPUC-authorized revenue requirement from ratepayers for a given program or function.

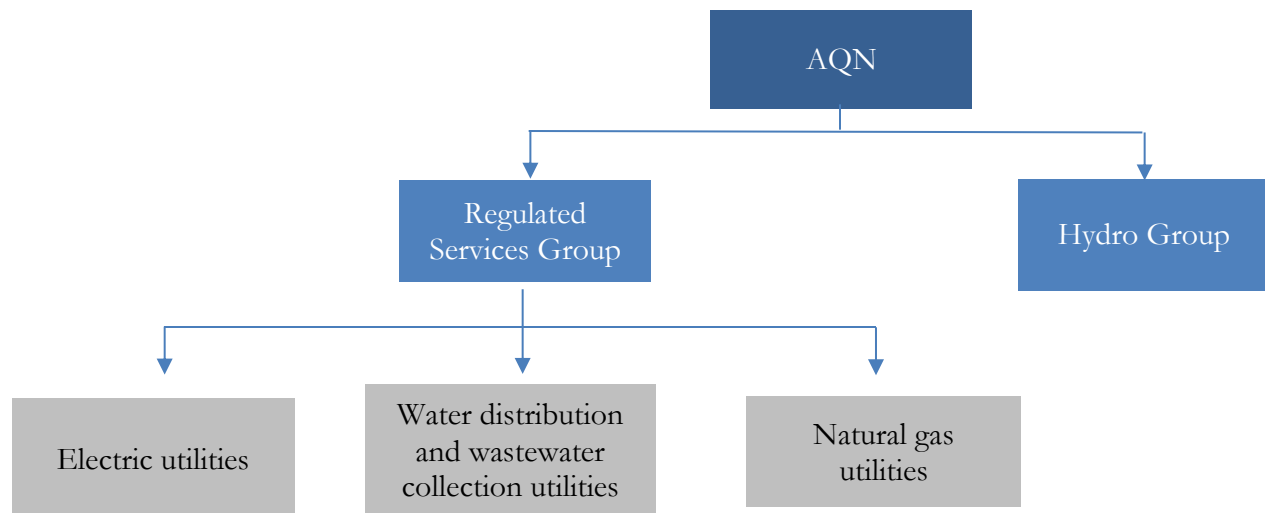
Functionally, a balancing account tracks the difference between actual expenditures associated with the account, revenue authorized for recovery by CPUC (authorized revenue requirement), and the actual revenues collected within customer rates to cover those specific expenditures. Applicable rules for a given balancing account are presented in the utility's Preliminary Statement, which also includes description of the purpose of the account, the types of costs and/or revenues that are to be tracked in the account, and specific accounting procedures that the utility must follow to record transactions for the balancing account. Additionally, unless approved otherwise, a balancing account is required to accumulate monthly interest at a rate equal to one-twelfth of the most recent month's interest rate on three-month Commercial Paper published by the Federal Reserve.

Actual revenues collected by a utility in rates can be more or less than what CPUC had authorized to collect because rates are always forward-looking and based on forecasted sales. Thus, the balance in a balancing account can either be over- or under-collected. If a balancing account is over- or under-collected, the net balance is typically recovered from or refunded to ratepayers on an annual basis through an adjustment in rates.

Liberty Utilities (CalPeco Electric) LLC (Liberty)

Algonquin Power and Utilities Corporation (AQN) is the parent company of Liberty and has organized its operations into two business units consisting of (1) the Regulated Services Group, which primarily owns and operates a portfolio of regulated electric, water distribution and wastewater collection, and natural gas utility systems and transmission operations in the United States, Canada, Bermuda, and Chile; and (2) the Hydro Group, which consists of hydroelectric-generating facilities located in Canada. The following chart below depicts, in summary form, AQN's key operating business units.²

² Algonquin Power & Utilities 2024 Annual Report at [AQN-2024-Annual-Report.pdf](#)



In 2011, Liberty Utilities acquired California electric utility, CalPeco Electric and organized its operations as an electric utility under the Regulated Services Group. Liberty Utilities (CalPeco Electric) LLC (Liberty) provides electric service to the Lake Tahoe California basin and surrounding areas at rates approved by CPUC.

In its 2024 Annual Report filed with CPUC, Liberty reported a total of 13 electric balancing accounts with a total combined under-collected balance of \$124,720,711. A breakdown of the reported amounts over or under-collected in rates as of December 31, 2024, by each electric balancing account, is provided in the table below:

Title of Accounts	Reported Net Under/(Over)-Collected Balance as of December 31, 2024
Base Revenue Requirement Balancing Account (BRRBA)	\$ 37,196,174
Vegetation Management Balancing Account (VMBA)	6,680,110
Energy Cost Adjustment Clause (ECAC)	41,293,835
California Alternate Rates for Energy (CARE)	1,053,910
Energy Savings Assistance Program (ESA) Surcharge Mechanism	(1,455,841)
Energy Efficiency Balancing Account (EEBA)	(216,491)
Greenhouse Gas Revenue Balancing Account (GHGRBA)	4,939,495
Solar Incentive Program Balancing Account (SIPBA)	(1,398,759)
Mobile Home Park Balancing Account (MHPBA)	2,817,046
Solar on Multifamily Affordable Housing Program Balancing Account (SOMAHBA)	(2,815,099)
Wildfire and Natural Disaster Resiliency Rebuild Balancing Account (WNDRRBA)	(176,863)
Residential Uncollectible Balancing Account (RUBA)	481,175
Memo Account Recovery Balancing Account (MARBA)	36,322,019
Total – Net Under-Collected Reported Amount	\$ 124,720,711

Audit Authority

UAB conducted this audit under the general authority outlined in PU Code sections 314 (a), 314.5, 314.6, 451, 581, 582, and 584. Furthermore, PU Code section 792.5 requires CPUC to develop a risk-based approach for reviewing or auditing balancing accounts periodically to ensure that the transactions recorded in the balancing accounts are for allowable purposes and supported by appropriate documentation.

Objective and Scope

Our audit objectives were to determine whether 1) transactions recorded in Liberty's balancing accounts from January 1, 2024, through December 31, 2024, were for allowable purposes and supported by appropriate documentation; and 2) the balancing accounts were established and maintained as required by applicable PU Code sections, CPUC directives, orders, rules, regulations, and the Liberty's policies and procedures.

The scope of our audit covered the 13 balancing accounts administered and reported by Liberty for the audit period of January 1, 2024, through December 31, 2024.

Methodology

In planning our audit, we gained an understanding of each balancing account and Liberty's operations by researching and reviewing relevant PU Code sections, preliminary statements, rules, regulations, policies, CPUC decisions, resolutions, advice letters, Liberty's policies and procedures, and interviewing Liberty's personnel.

We conducted a risk assessment, including evaluating whether Liberty's key internal controls relevant to our audit objectives were properly designed, implemented, and operating effectively. Our assessment included conducting interviews, performing walkthroughs, and testing transactions. Deficiencies in internal control, if identified during our audit and determined to be significant within the context of our audit objectives, are included in this report.

Additionally, we assessed the reliability of the data extracted from Liberty's accounting and customer billings systems. Our assessment included examining extracted reports, tracing data between differing report formats to verify completeness, and tracing report data to source documents. We determined the data to be sufficiently reliable to address the audit objectives.

Based on the results of our planning, we developed specific methods for gathering evidence to obtain reasonable assurance to address the audit objectives. To achieve our audit objectives, we:

- Reviewed applicable CPUC decisions, advice letters, proceedings, and preliminary statements to gain an understanding of the balancing accounts and applicable tariff rates.
- Reviewed UAB's prior Balancing Accounts Performance Audit for the period covering January 1, 2022, through December 31, 2022, that was issued on March 15, 2024, and performed follow-up tests to verify whether corrective actions were properly implemented.
- Reviewed UAB's prior Balancing Accounts Examination for the year ended December 31, 2017, that was issued on March 29, 2019. We determined that no additional follow-up was required since follow-up was previously conducted during UAB's Balancing

Accounts Performance Audit for the period covering January 1, 2022, through December 31, 2022, that was issued on March 15, 2024.

- Reviewed the following prior audit reports and determined that the audits were relevant to our audit objectives but did not disclose any findings and therefore, no further review was performed for:
 - Ernst & Young LLP's Independent Auditor's Report for the years ended December 31, 2024 and 2023, that was issued on April 17, 2025.
 - Ernst & Young LLP's Independent Auditor's Report for the years ended December 31, 2023 and 2022, that was issued on April 29, 2024.
 - Ernst & Young LLP's Independent Auditor's Report for the years ended December 31, 2022 and 2021, that was issued on April 28, 2023.
 - Ernst & Young LLP's Independent Auditor's Report for the years ended December 31, 2021 and 2020, that was issued on April 29, 2022.
 - Ernst & Young LLP's Independent Auditor's Report for the years ended December 31, 2020 and 2019, that was issued on May 14, 2021.
- Reviewed Liberty's prior Internal Audit Report on Capital Spending and Recovery Audit, that was issued on July 25, 2022. We determined that the audit was not relevant to our audit objectives and, therefore, no further review was performed.
- Reviewed Liberty's internal control policies and procedures related to the administration and implementation of its balancing accounts.
- Reviewed Liberty's accounting system, accounting policies, processes and procedures for tracking, monitoring, and recording transactions to its balancing accounts.
- Reconciled year-end balancing account totals recorded in Liberty's accounting records to the balances reported in Liberty's 2024 Annual Report for accuracy and completeness.
- Traced the balancing accounts reported in Liberty's 2024 Annual Report to the Preliminary Statements for accuracy.
- Assessed significance by performing analysis of revenue and expenditure data and evaluating balancing account requirements.
- Obtained an understanding of Liberty's key internal controls relevant to its balancing accounts, such as accounting and reporting process, invoice processing and expense recording process, and assessed the design, implementation, and operating effectiveness of selected controls that were significant to the audit objectives by:
 - interviewing key personnel;
 - completing an internal control questionnaire;

- reviewing Liberty's policies and procedures and assessing their implementation pertaining to accounting, recording, and reporting of balancing accounts;
- evaluating Liberty's key internal controls for the reporting and recording of balancing account expenses by reviewing and assessing the design, implementation, and operating effectiveness of the controls performed and documented by UAB in its prior balancing account audit of Liberty that was issued on March 15, 2024, and confirming that same controls were applicable in the current audit period.
- Conducted a risk assessment to determine the nature, timing, and extent of substantive testing.
- Performed testing of expenses by judgmentally selecting a non-statistical sample of significant expenditure transactions for six balancing accounts totaling \$184,083 of \$1,421,772, or 13 percent of the total recorded expenses as illustrated in the table below:

Balancing Account Name	Total Expenditures Tested	Total Expenditures Recorded in 2024	Percent Tested
California Alternate Rates for Energy (CARE)	\$13,786	\$147,179	9%
Energy Savings Assistance Program Surcharge Mechanism (ESA)	14,206	142,120	10%
Energy Efficiency Balancing Account (EEBA)	46,013	419,622	11%
Solar on Multifamily Affordable Housing Program Balancing Account (SOMAHBA)	13,530	48,555	28%
Residential Uncollectible Balancing Account (RUBA)	63,944	362,655	18%
Transportation Electrification Framework Balancing Account (TEFBA)	32,604	301,641	11%
Totals	\$184,083	\$1,421,772	13%

- For the selected samples, traced expenditures recorded in Liberty's accounting records to supporting documentation and determined whether costs were accurate, attributable to its respective balancing account, supported by appropriate source documents, and incurred in compliance with applicable CPUC directives, orders, rules, regulations, and Liberty's policies and procedures by:
 - tracing expenditures to invoices to ensure expenditure (1) was incurred within 2024, (2) agreed to invoice amounts, and (3) was calculated accurately;
 - verifying expenditures were supported by appropriate source documents, such as detailed invoices, agreements/contracts, etc., to confirm the expense was for authorized activities;
 - confirming payments were made for the expenditures and the amount agreed to the invoice; and
 - corroborating that the activity was completed as claimed for a subset of samples by:

- viewing photos of lighting and appliances installed at businesses listed on three selected invoices for the ESA and EEBA weatherization installation programs and energy efficiency upgrades, and
 - listening to radio advertisement campaigns and viewing images of social media advertisement campaigns pertaining to two invoices for the CARE and ESA programs for income-qualified customers who are eligible for energy efficient home improvements at a discount or at no cost.
- Determined whether Liberty properly reported and recorded monthly interest in its balancing accounts and general ledger by recomputing the monthly interest amounts for 14 balancing accounts and all twelve months in 2024.

We did not audit Liberty's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that Liberty reported, incurred, and maintained its balancing accounts in accordance with the applicable criteria. We considered Liberty's internal controls only to the extent necessary to plan the audit and achieve our audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Conclusion

Based on our audit objectives, procedures performed, samples tested, and evidence gathered, we found instances of noncompliance with the requirements for the audit period from January 1, 2024, through December 31, 2024. These instances are described in the Findings and Recommendations section of this audit report.

Follow-up on Prior Audit Findings

Our prior Balancing Accounts audit report for the period of January 1, 2022, through December 31, 2022, issued on March 15, 2024, disclosed three audit findings. Liberty implemented corrective actions to address one of the three prior audit findings. However, two of the findings identified in the prior audit remain unresolved. Based on the work performed in this current audit, Liberty continued to incorrectly report a balancing account in its Annual Report and continued to exclude the reporting of balancing accounts with zero balances despite prior audit recommendations, as described in Finding 1 of this audit report. Moreover, Liberty continued to utilize current month's interest rates instead of the prior month's interest rate in three of its balancing accounts as stipulated in its preliminary statements' interest calculation accounting procedures, despite being notified of such error in UAB's previous audit report and reiterated in Finding 2 of this audit report.

Views of Responsible Officials

We issued a draft report on January 26, 2026. Liberty responded by email on February 9, 2026, indicating that it does not have any formal written comments concerning the findings and recommendations presented in the draft report.

Restricted Use

This audit report is intended solely for the information and use of Liberty and CPUC; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and will be available on CPUC website at [Audit Reports by Industry \(ca.gov\)](https://www.cpuc.ca.gov/Audit-Reports-by-Industry).

Alasha Vorobyeva for Angie Williams

Angie Williams, Director
Utility Audits, Risk and Compliance Division

FINDINGS AND RECOMMENDATIONS

Finding 1: Inaccurate Reporting of Balancing Accounts Totaling \$1,737,003

Condition:

Liberty continued to report inaccurate information in its 2024 Annual Report despite being notified of similar reporting errors in UAB's previous two balancing account audits. During our reconciliation of its Annual Report to supporting accounting records, balancing account subledgers, and approved balancing account Preliminary Statements, we discovered multiple discrepancies including the omission of three accounts containing zero balances, inconsistent reporting of one balancing account as a memorandum account, and inconsistent naming convention of some accounts. UAB noticed similar reporting inaccuracies in our prior audit reports as identified in the Balancing Account Examination of Liberty Utilities (CalPeco Electric) LLC for the year-end December 31, 2017, issued on March 29, 2019, and the Balancing Account Performance Audit of Liberty Utilities (CalPeco Electric) LLC for the period January 1, 2022, through December 31, 2022, issued on March 15, 2024.³ This is a repeat finding and Liberty's 2024 Annual Report filed with CPUC continued to contain reporting errors and discrepancies as described and summarized below:

- Incorrectly reporting the Transportation Electrification Framework Balancing Account (TEFBA) as a Memorandum Account with a year-end under-collected balance of \$1,737,003. As a result, the total combined 2024 year-end under-collected balance for all of its reported balancing accounts should have been reported as \$126,457,714 instead of \$124,720,711, as outlined in the table below.
- Omitting the reporting of three authorized accounts, EMFERBA, BBA, and Rule 20 Balancing Account, that had zero balances in 2024, as outlined in the table below.
- Utilizing different titles for four balancing accounts that did not coincide with the CPUC approved naming convention authorized in each applicable Preliminary Statement for the ESA Surcharge Mechanism, GHGRBA, SOMAHBA, and WNDRRBA.

Summary of Reporting Discrepancies

Description	Under/(Over)- Collected Balance as of December 31, 2024
2024 year-end reported balance	\$124,720,711
Audit Adjustments:	
Incorrectly Reported Electric Balancing Account as Memo Account TEFBA	1,737,003
Omitted Electric Balance Accounts	
EMFERBA	0
BBA	0
Rule 20 Balancing Account	0
Audited 2024 year-end reported balance	\$126,457,714

³ Both audit reports are publicly available and posted on UAB's website at [Audit Reports Energy Industry](#)

Criteria:

PU Code sections 581, 582, and 584 require that the utility provide timely, complete, and accurate data to the CPUC.

Advice Letter (AL) 210-E established the TEFBA with an effective date of January 20, 2023, pursuant to CPUC Decision (D.) 22-11-040.

AL 28-E revised the Preliminary Statement for both EMFERBA and BBA effective July 15, 2013.

AL 176-E established the Rule 20 Balancing Account to track all costs and any figures typically tracked in a balancing account effective July 6, 2021, pursuant to D.21-06-013.

Cause:

Liberty failed to implement corrective actions and did not strengthen or develop adequate monitoring and oversight policies and procedures to ensure balancing accounts and related information are accurately reported despite being notified of such issues in prior balancing account audits on year 2017 that was issued by UAB on March 29, 2019, and on year 2022 that was issued by UAB on March 15, 2024.

Effect:

Inaccurate and/or incomplete information reported in Liberty's Annual Reports, which may be used by decision-makers during the General Rate Case (GRC) application review process, could potentially impact the rates for Liberty's taxpayers. It is imperative that each utility ensure its Annual Reports contain complete and accurate information on all of its authorized balancing accounts to provide decision-makers with complete and accurate information when making decisions that can affect the ratepayers.

Recommendations:

Liberty should implement corrective actions from two prior UAB audits and develop and implement adequate monitoring and oversight policies and procedures for reporting information in its Annual Report to ensure that it:

- includes all authorized balancing accounts in Liberty's Annual Report filed with CPUC regardless of whether there were activities recorded in the accounts during the reporting year;
- accurately reports all authorized balancing accounts and applicable year-end balances to CPUC;
- includes only balancing accounts in the Annual Report that are authorized by CPUC; and
- reports balancing accounts in accordance with CPUC approved naming convention authorized in the applicable Preliminary Statements.

Finding 2: Incorrect Interest Recorded and Reported Totaling \$2,875**Condition:**

Liberty incorrectly recorded and reported interest in 12 of 14, or 86 percent of its balancing accounts totaling \$2,875. During our testing of reported interest amounts, we re-computed monthly interest amounts for all 14 balancing accounts and all twelve months in 2024. UAB previously reported on Liberty's inaccurate recording and reporting of balancing account interest in two prior audit reports: the Balancing Account Examination of Liberty Utilities (CalPeco Electric) LLC for the year-end December 31, 2017, issued on March 29, 2019, and the Balancing Account Performance Audit of Liberty Utilities (CalPeco Electric) LLC for the period January 1, 2022, through December 31, 2022, issued on March 15, 2024.⁴ In this current audit period, Liberty's errors in the recording and reporting of interest totaled \$2,875 and resulted from the following:

- Liberty's inconsistent application of its Preliminary Statements and specific accounting procedures pertaining to interest computations for each balancing account, such as the omission of procedures to use the average account balances in calculating interest in the WNDRRBA, MARBA, and TEFBA, omission of interest calculation procedures in its entirety in the CARE balancing account, and omission of which specific Federal Reserve Statistical Release commercial paper rate to apply when calculating monthly interest in the SOMAHBA.
- Liberty incorrectly utilizing the current month's interest rate instead of the prior month's interest in 3 of its 14 authorized balancing accounts, or 21 percent as stipulated in Liberty's approved Preliminary Statements
- Liberty utilizing the incorrect average balance when computing monthly interest in 9 of 14 balancing accounts, or 64 percent due to not accounting for applicable expenses and adjustments.

Criteria:

PU Code sections 581, 582, and 584 require that the utility provide timely, complete, and accurate data to the CPUC.

Preliminary Statements for Liberty's balancing accounts states, in general, that:

Liberty will maintain the balancing account by making entries at the end of each month, ...An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15

Cause:

Liberty failed to implement corrective actions and Liberty did not consistently apply its Preliminary Statements pertaining to balancing account interest for each account. In addition, Liberty did not update its oversight and monitoring processes and procedures to ensure interest amounts are computed and recorded accurately, consistently, and in accordance with its balancing accounts' Preliminary Statements or submit Advice Letters to CPUC to update its Preliminary Statements to ensure accurate

⁴ Both audit reports are publicly available and posted on UAB's website at [Audit Reports Energy Industry](#)

and consistent calculation of interest across all balancing accounts in cases where the preliminary statements' accounting procedure to calculate interest are vague.

Effect:

Failure to properly calculate interest in compliance with its preliminary statement and account for current or prior period adjustments pertaining to the calculation of monthly interest reported in its Balancing Account Monthly Tracking Statements can lead to inaccurate recording and reporting of interest in its balancing accounts. Any errors in the calculation of interest in balancing accounts can diminish the benefit to ratepayers since balancing accounts accrue interest to be returned to ratepayers if the utility is over-collected or recovered as additional revenue if the utility is under-collected.

Furthermore, since any over or under-collected year-end balances, including interest, are carried over from year to year, any potential incorrect interest amount can impact customer rates by being amortized into future rates.

Recommendation:

Liberty should implement corrective actions from two prior UAB audits and develop and implement adequate monitoring and oversight policies and procedures to ensure interest amounts are recorded accurately, clearly, and consistently to avoid any potential errors and to ensure interest is correctly calculated and reported in accordance with CPUC directives.

In addition, Liberty should file an advice letter with the CPUC's Energy Division to update its Preliminary Statements to ensure its calculation of interest across all authorized balancing accounts is included and consistent for each balancing account. Liberty should also publish the updated Preliminary Statements on its website once reviewed and approved by the CPUC's Energy Division.