

	B	C	D	E	P	Q	R	S	T	U	V	W
	Preli m	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of December 31, 2019	Balance as of June 30, 2020	Balance as of December 31, 2020	Balance as of June 30, 2021	Balance as of December 31, 2021	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
1												
2			TOTAL CONNECTIONS AS OF:	Dec-21	481,874	483,473	484,923	485,956	486,817			
4	M	WRAM/MCBA	Tracks the difference between recorded and Commission authorized water revenues and differences between	D.08-02-036	\$ 62,585,906	\$ 52,589,962	\$ 67,828,698	\$ 67,472,698	\$ 72,824,317	2021	Water Division in AL 2408 (8/16/21)	Net Undercollection
5	R	TIRBA	The Temporary Interest Rate Balancing Account tracks the difference between authorized debt interest and actual debt interest.	D.12-07-009 (July 12, 2012); Res. W-2084-A	\$0	\$0	\$0	\$0	\$ -	2012	ORA in A.12-07-007 (2012 GRC)	CLOSED via AL 2402 (effective 1/27/2021)
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.)	\$ (4,837,110)	\$ (4,601,154)	\$ (4,483,175)	\$ (4,365,197)	\$ (3,947,500)	2021	Water Division in annual review of DWR loans	Balance is the outstanding loan amount.
7	Z1	Conservation 2009 GRC (CEBA 1)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2011-2013 costs.	D.10-12-017	\$0	\$0	\$0	\$0	\$ -	2012	ORA in A.12-07-007 (2012 GRC)	CLOSED via AL 2402 (effective 1/27/2021)
8	Z2	Conservation 2012 GRC (CEBA 2)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2014-2016 costs.	D.14-08-011 (August 14, 2014); AL 2139 (10/21/14).	\$0	\$0	\$0	\$0	\$ -	2017	Water Division in AL 2259 (March 2017)	CLOSED via AL 2402 (effective 1/27/2021)
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 (authority to revise tariffs) and OP 17 (authority to modify or eliminate balancing accounts). AL 2242 (12/30/16).	\$ (2,737,480)	\$ (1,199,810)	\$ (412,630)	\$ -	\$ -	2020	Water Division in AL 2381 (April 2020)	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.
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)	N/A	\$ (1,471,749)	\$ (3,753,351)	\$ (5,123,146)	\$ (7,203,298)	None	Authorized in 2018 GRC (12/6/2020)	Net undercollection. The CEBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in Application 18-07-001.
11	AA1	Pension 2009 GRC (PCBA 1)	Tracks the difference between Statement of Financial Accounting Standards 87 expense calculated by CWS's actuarial expert, and actual costs for 2011-2013.	D.10-12-017; December 2, 2010	\$0	\$0	\$0	\$0	\$ -	2015	Water Division in AL 2153 (March 2015)	CLOSED via AL 2402 (effective 1/27/2021)
12	AA2	Pension 2012 GRC (PCBA 2)	Tracks the difference between actual and authorized pension costs for 2014-2016.	D.14-08-011; August 14, 2014	\$0	\$0	\$0	\$0	\$ -	2017	Water Division in AL 2259 (March 2017)	CLOSED via AL 2402 (effective 1/27/2021)

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

	B	C	D	E	P	Q	R	S	T	U	V	W
	Preli m	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of December 31, 2019	Balance as of June 30, 2020	Balance as of December 31, 2020	Balance as of June 30, 2021	Balance as of December 31, 2021	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments
1												
13	AA3	Pension 2015 GRC (PCBA 3)	Tracks the difference between actual and authorized pension costs for 2017-2019.	D.16-12-042, OP 4 (authority to revise tariffs) and OP 17 (authority to modify or eliminate balancing accounts); AL 2242 (12/30/16)	\$ 21,464,901	\$ 21,464,901	\$ 21,464,901	\$ 21,261,655	\$ 11,685,901	2021	Water Division in AL 2406-A (May 2021)	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 mos. Starting 6/15/21. Collected \$9,660,487 as of 12/31/2021).
14	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)	N/A	N/A	\$ 15,322,078	\$ 16,470,549	\$ 18,325,772	None	Authorized in 2018 GRC (12/6/2020)	Net Undercollection. The PCBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in A.18-07-001.
15	AB2	Health Cost BA - 2012 GRC (HCBA2)	Tracks 85% of the difference between actual and authorized health care costs for 2014-2016.	D.14-08-011; AL 2139	\$0	\$0	\$0	\$0	\$ -	2017	Water Division in AL 2259 (March 2017)	CLOSED via AL 2402 (effective 1/27/2021)
16	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 (authority to revise tariffs) and OP 17 (authority to modify or eliminate balancing accounts); AL 2242 (12/30/16).	\$ (4,271,525)	\$ (4,271,525)	\$ (4,271,525)	\$ (4,259,812)	\$ (2,200,364)	2021	Water Division in AL 2406-A (May 2021)	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. Refund of -\$2,073,670 provided as of 12/31/21.
17	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)	N/A	N/A	\$ (3,957,145)	\$ (7,543,977)	\$ (9,445,912)	None	Authorized in 2018 GRC (12/6/2020)	Net Overcollection. The HCBA4 covers years 2020 through 2022 for all ratemaking areas ("districts") included in A.18-07-001.
18	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	\$ 597,205	\$ 1,662,769	\$ 3,366,928	\$ 4,189,175	\$ 3,519,575	2021	Water Division in AL 2400 (January 2021)	Net Undercollection. Surcharge re-calculated in AL 2400 became effective 2/1/2021 (subject to 2018 GRC IRMA).
19	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)	\$ 189,607	\$ (231,368)	\$ (43,692)	\$ 2,042,521	\$ 2,471,857	2021	Water Division in AL 2399 (January 2021)	Net Undercollection. Surcharge re-calculated in AL 2399 became effective 2/1/2021 (subject to 2018 GRC IRMA).
20	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	\$ 6,875,472	\$ 6,875,472	\$ 6,875,472	\$ 5,978,152	\$ 2,256,842	2021	Water Division in AL 2409 (April 2021)	Net Undercollection. Surcharges to amortize \$6.8M effective 4/15/21-4/14/22. Collected \$4,918,105 as of 12/31/21. Includes \$241,801 in residuals transferred from completed amortizations of CoC MA, TAMA, CEBA3, and DRMA1.

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

	B	C	D	E	P	Q	R	S	T	U	V	W
	<u>Preli</u> <u>m</u>	<u>Balancing</u> <u>Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or</u> <u>Resolution or Advice Letter</u>	<u>Balance as of</u> <u>December 31, 2019</u>	<u>Balance as of</u> <u>June 30, 2020</u>	<u>Balance as of</u> <u>December 31,</u> <u>2020</u>	<u>Balance as of</u> <u>June 30, 2021</u>	<u>Balance as of</u> <u>December 31,</u> <u>2021</u>	<u>Date Last</u> <u>Reviewed</u>	<u>Most Recent</u> <u>Conducted</u> <u>Review/Audit (either</u> <u>GRC or other</u> <u>Method)</u>	<u>Notes or Comments</u>
1												
23	None	Interim Rates (old GRCs) Balancing Accounts	For transition from annual GRCs (8 districts), to one consolidated GRC (all districts), districts with delayed GRCs received interim rates. After true-up to final rates starting 1/1/2011, balances were amortized.	D.10-12-017, OP 12; AL 2117	\$ 57,737	\$ 57,737	\$ 57,737	\$ 57,737	\$ -	2017	Water Division in AL 2259 (March 2017)	Net undercollection. Per D.16-12-042, large balances were re-amortized in AL 2259, with the 12-mo charges/credits having ended on 7/14/18; the 24-mo surcharges for Coast Springs and Lucerne ended on 7/14/19. Residuals for all re-amortized districts moved to District BAs.
24												
25					\$ 79,924,713	\$ 70,875,236	\$ 97,994,298	\$ 96,180,354	\$ 88,287,189			

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, 2020, 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, 2021</u>	<u>Balancing Account Description</u>
No authorized revenue amount	WRAM/MCBA	\$ 72,824,317	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. Collection in 2021- \$30,558,222.
Adopted average annual conservation budget for 2020-2022	Conservation 2018 GRC (CEBA 4)	\$ (7,203,298)	A one-way balancing account to record water conservation program expenses, any under-expenditures will be subject to refund to customers for each district in the account.
Adopted expenses for 2017-2019	Pension 2015 GRC (PCBA 3)	\$ 11,685,901	Tracks the difference between actual and authorized pension costs for 2017-2019.
Adopted expenses for 2020	Pension 2018 GRC (PCBA 4)	\$ 18,325,772	Tracks the difference between actual and authorized pension costs for 2020-2022.
Adopted expenses for 2020.	Health Cost BA - 2018 GRC (HCBA4)	\$ (9,445,912)	Tracks 85% of the difference between actual and authorized health care costs for 2014-2016.
Amount approved for amortization in AL 2400	CAP/LIRA Balancing Account	\$ 3,519,575	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.
Amount approved for amortization in AL 2399	RSF Balancing Account	\$ 2,471,857	The Rate Support Fund tracks the subsidy for all customers in designated high-cost districts, and the surcharges collected to fund the 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 **11** active balancing accounts. The following accounts are the **three** with the largest (negative or positive) balances.

<u>Balancing Account Name</u>	<u>Balance as of December 31, 2021</u>	<u>Balancing Account Description</u>
WRAM/MCBA	\$ 72,824,316.62	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.
Pension 2015 GRC (PCBA 3)	\$ 11,685,901.03	Tracks the difference between actual and authorized pension costs for 2017-2019.
Pension 2018 GRC (PCBA 4)	\$ 18,325,772.14	Tracks the difference between actual and authorized pension 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 within 20 percent fluctuation from the previous semiannual balance.

Z4	Conservation 2018 GRC (CEBA4)	\$	(7,203,298)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2020-2022 costs.
AA3	Pension 2015 GRC (PCBA 3)	\$	11,685,901	Tracks the difference between actual and authorized pension costs for 2017-2019.
AB3	Health Cost BA - 2015 GRC (HCBA3)	\$	(2,200,364)	Tracks 85% of the difference between actual and authorized health care costs for 2017-2019.
AB4	Health Cost BA - 2018 GRC (HCBA4)	\$	(9,445,912)	Tracks 85% of the difference between actual and authorized health care costs for 2020-2022.
AJ	CAP/LIRA Balancing Account	\$	3,519,575	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.
AM	RSF Balancing Account	\$	2,471,857	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	\$	2,256,842	District-specific accounts in which small amounts, such as residuals from amortizations, are aggregated for later disposition.

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

All active accounts have been reviewed within the past 3 years except for the three new accounts (CEBA4, PCBA4, and HCBA4) authorized in D.20-12-007

*Note (2/15/19): The PCBA3 and HCBA3 amounts reflect corrections made in the 2/15/19 Semi-Annual Balancing Account Report.