

	B	C	D	E	Z	AA	AB	AC	AD	AE
	<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, 2024</u>	<u>Balance as of June 30, 2025</u>	<u>Balance as of December 31, 2025</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	-1		TOTAL CONNECTIONS AS OF:		491,680	492,014	492,356			
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	\$ 4,737,034	\$ 3,636,020	\$ 2,073,204	2025	Cal Advocates Report on BAMAs (2024 GRC; 1/28/25).	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). AL 2486-A applied \$1.5 million litigation credit to Stockton's net WRAM/MCBA balance
5	T	Lucerne BA	<i>The Lucerne BA reflects amounts Lucerne customers owe to pay off a no-interest loan, and does not affect CWS' revenue so it has been moved to the bottom of the page (after the total balance is calculated).</i>							
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).	\$ (3,294,201)	\$ (2,888,811)	\$ (5,202,340)	2025	Cal Advocates Report on BAMAs (2024 GRC; 1/28/25).	To be refunded (overcollection).
16	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).	\$ (14,143,464)	\$ (16,047,671)	\$ (17,836,731)	2025	2024 UAB audit of 2023 transactions. Cal Advocates Report on BAMAs (2024 GRC; 1/28/25).	To be refunded (overcollection).
20	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).	\$ (3,630,297)	\$ (4,340,565)	\$ (4,149,219)	2025	2024 UAB audit of 2023 transactions.	To be refunded (overcollection).
21	AI	Chromium-6 Memo Account (Cr6 MA)	Tracks the incremental costs associated with complying with the Maximum Contaminant Level (MCL) for chromium-6.	D.24-03-042; AL 2503 (created). AL 2503 (SVR amort.) and 2530-A (DIX and WIL amort.).	\$ 1,711,210	\$ 1,019,370	\$ 430,220	2025	Cal Advocates Report on BAMAs (2024 GRC; 1/28/25).	Net Undercollection. Converted to BA as of Oct 2024. In AL 2503, amortization of \$1,655,345 for SVR. In AL 2530-A, amortization of \$65,957 in DIX and \$84,765 in WIL. Surcharges are still ongoing for Dixon and Willws, until 09/30/2027 and 09/30/2026, respectively.
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	\$ 6,119,333	\$ 5,980,114	\$ 1,930,820	2024	2024 UAB audit of 2023 transactions; WD review in AL 2541.	Net Undercollection. Surcharge re-calculated in AL 2541 became effective 1/1/2025.
24	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)	\$ 3,790,378	\$ 2,787,139	\$ 719,863	2024	2024 UAB audit of 2023 transactions; WD review in AL 2540.	Net Undercollection. Surcharge re-calculated in AL 2540 became effective 1/1/2025.

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

California Water Service Company

	B	C	D	E	Z	AA	AB	AC	AD	AE
	<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, 2024</u>	<u>Balance as of June 30, 2025</u>	<u>Balance as of December 31, 2025</u>	<u>Date Last Reviewed</u>	<u>Most Recent Conducted Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
1										
25	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 (created). AL 2530-A (amortization)	\$ 10,423,195	\$ 10,524,102	\$ 10,666,269	2025	Cal Advocates Report on BAMAs (2024 GRC; 1/28/25).	Net Undercollection. In AL 2530-A, amortization of \$311,556 for 10/1/24 - 9/30/25. Added LSL MA \$35.813 .
31	BF	Drinking Water Fees Balancing Account	The Drinking Water Fees Balancing Account tracks the difference between the actual fees charged by the Water Board and the fees authorized in rates.	Approved in AL 2497-A (filed 11/30/2023; eff. 12/16/21)	\$ 2,059,146	\$ 2,569,045	\$ 3,066,294	2025	Cal Advocates Report on BAMAs (2024 GRC; 1/28/25).	Net Undercollection. In A.24-07-003, amortization of \$1,334,220 requested in base rates. Opposed by Cal Advocates.
32	BG	M-WRAM	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.	D.24-03-042; AL 2523 (created). AL 2532 (amortization of 2023 balance); AL 2565 (amortization of 2024 balance).	\$ 33,060,809	\$ 50,425,624	\$ 46,611,306	2025	WD in AL 2565 (amortization of 2023 balance).	Net Undercollection. For financial reporting, balance in 2023 AL 2532, amortizing from 10/01/2024-9/30/2026. Billed \$12 mil as of 12/31/2025. Added YTD 2025 balance \$25 mil. Started amortization of 2024 balance in Oct 2025 and have billed \$2.5 mil as of 12/31/2025. Will amortize from 10/1/2026-9/30/2028
33	BH, BI, BJ 2023	Water, Pump Tax, and Power ICBAs for 2023	The Incremental Cost Balancing Account (ICBAs) track the difference between the actual and authorized costs of purchased water, pump taxes and power. The balances incurred in 2023 were netted together to apply one credit or surcharge to each relevant ratemaking area.	D.24-03-042; AL 2523 (created). AL 2533 (amortization of 2023 balance).	\$ (5,500,826)	\$ (2,281,444)	\$ (16,300)	2024	WD in AL 2533 (amortization of 2023 balance)	Net Overcollection. For financial reporting, balance in 2023 was zero because account was not authorized until D.24-03-042. Net amortization of -\$6,496,883 for YE 2023 balance filed in AL 2533 for one year starting 10/1/24. Refunded \$6.5M.
34	BH 2024	Water ICBA 2024	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.	D.24-03-042; AL 2523 (created).	\$ (1,400,430)	\$ (1,470,141)	\$ -	2025	WD in AL 2566 (amortization of 2024 balance)	Purchased water, pump tax, and purchased power were consolidated and amortized through AL 2566, so all amounts are now consolidated and listed under the Power ICBA 2024.
35	BI 2024	Pump Tax ICBA 2024	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.	D.24-03-042; AL 2523 (created).	\$ 735,041	\$ 793,821	\$ -	2025	WD in AL 2566 (amortization of 2024 balance)	Purchased water, pump tax, and purchased power were consolidated and amortized through AL 2566, so all amounts are now consolidated and listed under the Power ICBA 2024.
36	BJ 2024	Power ICBA 2024	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.	D.24-03-042; AL 2523 (created); AL 2566 (amortization of 2024 balance)	\$ 4,409,119	\$ 4,504,469	\$ 3,179,765	2025	WD in AL 2566 (amortization of 2024 balance)	Net undercollection. Filed for \$3,434,965 in AL 2566. Collected billings of \$311,556 as of 12/31/25, with an amortization period of 10/1/25 to 9/30/26.
37	BH 2025	Water ICBA 2025	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.	D.24-03-042; AL 2523 (created); AL 2566 (amortization of 2024 balance)	NA	\$ (1,611,885)	\$ (1,360,937)	None	D.24-03-042 (authorization).	Net Overcollection (refunds owed).

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

	B	C	D	E	Z	AA	AB	AC	AD	AE
	<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, 2024</u>	<u>Balance as of June 30, 2025</u>	<u>Balance as of December 31, 2025</u>	<u>Date Last Reviewed</u>	<u>Most Recent Conducted Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
1										
38	BI 2025	Pump Tax ICBA 2025	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.	D.24-03-042; AL 2523 (created); AL 2566 (amortization of 2024 balance)	NA	\$ 126,389	\$ 158,712	None	D.24-03-042 (authorization)	Net Undercollection (costs to be recovered)
39	BJ 2025	Power ICBA 2025	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.	D.24-03-042; AL 2523 (created).	NA	\$ 1,837,103	\$ 5,699,738	None	D.24-03-042 (authorization)	Net Undercollection (costs to be recovered)
41	BN	Capital One-Way Balancing Account (21GRC COBA)	The 2021 GRC Capital One-Way Balancing Account (21GRC COBA) ensures that unspent amounts approved in rates for the following capital projects categories are returned to customers: (1) control valves, (2) pump and motors, and (3) personal computers.	D.24-03-042; AL 2523 (created); AL 2576 (request to amortize balance)	\$ (469,877)	\$ (671,215)	\$ (145,265)	2025	D.24-03-042 (authorization)	Net Overcollection (refunds owed).
42										
45		Grand Total:			\$ 119,733,515	\$ 124,160,014	\$ 96,993,430			
46										
47		The following account does not affect CWS' revenue, so it is not included in the Grand Total balance.								
48	T	Lucerne BA	No-interest loan of \$7M Safe Drinking Water State Revolving Fund obtained for treatment plant construction. Account records the fixed surcharges from customers, CWS' payments on the loan, 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.)	\$ 3,227,721	\$ 3,106,535	\$ 3,079,044	2024	2024 UAB audit of 2023 transactions.	Balance is the outstanding amount due on the loan that is being funded by customer surcharges. This is a pass-through for Cal Water. As of 12/31/24, all balances in this account are now shown as positive (rather than negative) because they will be collected from customers.
49										
50										
51		Note: In order to keep consistency with the Energy Companies' sign convention, we have revised instruction # 5, as follows: all undercollection account balances (revenue or adopted revenue target is less than expenses) are positive and all overcollection account balances (revenue or adopted revenue target exceeds expenses) are negative.								

"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 filing deadline. 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.

Balancing Account Name	Balance as of December 31, 2023	Balancing Account Description
Drinking Water Fees Balancing Account	\$ 3,066,294	The Drinking Water Fees Balancing Account tracks the difference between the actual fees charged by the Water Board and the fees authorized in rates.
Drought Memorandum Account 2	\$ 583,670	The Drought Memorandum Account 2 (DRMA2) tracks costs and penalties associated with the implementation of Rule 14.1 and Schedule 14.1 consistent with Resolution W-4976 in which the Commission adopted Drought Procedures.
Palos Verdes Memorandum Account (PV MA)	\$ 2,619,789	The PV MA tracks the incremental costs associated with the Palos Verdes Peninsula Water Reliability Project that exceed the amount already authorized in rates, including legal or other costs incurred to bring the matter to resolution.

(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 23 active balancing accounts. The following accounts are the six with the largest (negative or positive) balances.

Balancing Account Name	Balance as of December 31, 2023	Balancing Account Description
Pension 2021 GRC (PCBA 5)	\$ (17,836,731)	Tracks the difference between actual and authorized pension costs for 2023-2025.
District-Specific BAs	\$ 10,666,269	District-specific accounts in which small amounts, such as residuals from amortizations, are aggregated for later disposition.
2021 GRC Interim Rate Memo Account (2021 IRMA)	\$ 47,964,570	Tracks the difference between the interim rates charged in 1/1/2023 - 5/31/2024, and the final rates approved in D. 24-03-042 (as corrected by D.24-04-043), plus any offsets or other authorized rate changes that occurred while the GRC was pending.
M-WRAM	\$ 46,611,306	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.
Conservation 2021GRC (CEBA5)	\$ (5,202,340)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2023-2025 costs.
Power ICBA 2025	\$ 5,699,738	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2023-2025 costs.

(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.

WRAM/MCBA	\$ 2,073,204	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). AL 2486-A applied \$1.5 million litigation credit to Stockton's net WRAM/MCBA balance
Conservation 2021GRC (CEBA5)	\$ (5,202,340)	A one-way balancing account to record water conservation program expenses; under-expenditures to be refunded. For 2023-2025 costs.
Pension 2021 GRC (PCBA 5)	\$ (17,836,731)	Tracks the difference between actual and authorized pension costs for 2023-2025.
Chromium-6 Memo Account (Cr6 MA)	\$ 430,220	Tracks the incremental costs associated with complying with the Maximum Contaminant Level (MCL) for chromium-6.
CAP/LIRA Balancing Account	\$ 1,930,820	Tracks subsidies given to low-income program customers, and the surcharges on non-LIRA customers to fund the program.
RSF Balancing Account	\$ 719,863	The Rate Support Fund tracks the subsidy for all customers in designated high-cost districts, and the surcharges collected to fund the program.
Lead Service Line Memo Account (LSL M)	\$ -	Tracks the incremental costs associated with conducting the lead service line study mandated by the Water Board.
2021 GRC Interim Rate Memo Account	\$ 47,964,570	Tracks the difference between the interim rates charged in 1/1/2023 - 5/31/2024, and the final rates approved in D. 24-03-042 (as corrected by D.24-04-043), plus any offsets or other authorized rate changes that occurred while the GRC was pending.
Drinking Water Fees Balancing Account	\$ 3,066,294	The Drinking Water Fees Balancing Account tracks the difference between the actual fees charged by the Water Board and the fees authorized in rates.
M-WRAM	\$ 46,611,306	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.
Water, Pump Tax, and Power ICBAs for 2023	\$ (16,300)	The Incremental Cost Balancing Account (ICBAs) track the difference between the actual and authorized costs of purchased water, pump taxes, and power. The balances incurred in 2023 were netted together to apply one credit or surcharge to each relevant ratemaking area.
Water ICBA 2024	\$ -	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.
Pump Tax ICBA 2024	\$ -	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.
Power ICBA 2024	\$ 3,179,765	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.