Suburban Water Systems
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VIA EMAIL

August 17, 2026

Wilson Tsai
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Mr. Tsai:

Pursuant to Division of Water and Audit's letters dated April 15, 2014, and June 16, 2014, Suburban Water Systems ("Suburban") hereby submits its Semi-Annual Report on Balances in Utility Balancing Accounts and Reserve Accounts, in addition to the response to the data request as detailed in Attachment A.

Sincerely,

/s/ Kiki Carlson

Kiki Carlson
Director, Regulatory Affairs

cc: Linda Serizawa, Director of Public Advocates Office
Terence Shia, Director of Water Division
Richard Rauschmeier, Public Advocates Office's Deputy Director for Communications and Water
Bruce DeBerry, Program Manager – Water Division
Carmen Rocha, Utilities Engineer – Water Division

Attachment A
Suburban Water Systems
Balancing Accounts and Reserve Accounts Balances
As of June 30, 2026

Unless otherwise indicated, the balances in Suburban's Purchased Power, Purchased Water and Pumped Water Balancing Accounts excluding interest, are shown below:

TABLE 1

No.	Commission – authorized	Outstanding Under/(Over) Collection Balance as of June 30, 2026	
		San Jose Hills (SJH) Service Area	Whittier/La Mirada (WLM) Service Area
1	D.21-10-024, related to WRAM	($183,724)	($69,884)
2	AL 414-W	$2,839,112 Recycled water $65,227	$2,472,306
3	AL 418-W	$1,421,237	$787,537

Unless otherwise indicated, the estimated balances in Suburban's Purchased Power, Purchased Water and Pumped Water Reserve Accounts, and WRAM account excluding interest are shown below:

TABLE 2

No.	Description	Reserve Accounts – Under/(Over) Collection Balance as of June 30, 2026	
		SJH Service Area	WLM Service Area
1	Estimated accrual (Jul. '25 – Jun. '26)	$2,837,282	$933,266
2	Estimated WRAM (Sep.'22 – Jun. '26)	$1,771,796	$944,506

The total company reserve account balance as of June 30, 2026, pursuant to D.24-12-030 is as follows:

- Conservation Expense One-Way for period 2024 – 2026, $(76,918).

The total company reserve account balance as of June 30, 2026, pursuant to Advice Letter 395-W-A is as follows:

- Drinking Water Fees, $12,931.

The following are the authorized Test Year 2025 revenue requirements based on D.26-07-003 for the respective ratemaking area(s):

TABLE 3

SJH Service Area	WLM Service Area
$60,255,412 Recycled water $1,372,582	$46,140,296

Below are the additional information pursuant to Public Utilities Code Section 792.5(e) 1-4 (The Commission shall adopt balancing account review procedures that prioritize the review of the following balancing accounts):

(1) Balancing accounts with a quarter-end balance with more than a 10-percent differential from the balancing account's authorized revenue amount.
Response:
None.

(2) Balancing accounts with an authorized revenue amount that is in the top 25th percentile of all balancing accounts.
Response:
- AL 414-W for SJH & WLM service areas, $2,839,112 and $2,472,306, respectively.
- Future filing for SJH WRAM $1,771,796.
- Future filing for purchased power, purchased water and pumped water in SJH service area $2,839,112.

(3) Balancing accounts that have experienced volatile fluctuations in their quarterly balances over time.
Response:
- AL 414-W for SJH and WLM service areas, and recycled water.
- AL 418-W for SJH and WLM service areas.
- Reserve Accounts for purchased power, purchased water and pumped water in SJH and WLM service areas.
- Sativa Production Cost Balancing Account.
- Conservation Expenses One-Way Balancing Account.

(4) Balancing accounts that have not been reviewed in the previous three years.
Response:
The reserve accounts provided in Table 2 above.

SUBURBAN WATER SYSTEMS

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Under/(Over) Collection Balance as of Dec. 31, 2025	Under/(Over) Collection Balance as of June 30, 2026	Date Last Reviewed	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments	Active Connection As of 6/30/26
Suburban Water Systems - San Jose Hills Service Area	Water Revenue Adjustment Mechanism Balancing Account	To track differences between recorded quantity rate water revenues received under conservation rates versus uniform rates for residential customers.	D.21-10-024	($183,724)	**($183,724)**	1/3/23 - 7/28/25	During 2023 GRC - D.24-12-030, D.25-07-012		42,435
			D.24-12-030	$1,574,323	**$1,771,796**	1/3/23 - 7/28/25	Included in GRC A.23-01-001 for periods through Aug. 2022. Future filing for periods Sept. 2022 - Jun. 2026.	The estimated unaudited WRAM balance before interest in San Jose Hills Service Area includes period Sept. 2022 through Jun. 2026.	
	Volume Related Cost Balancing Account	Balancing Account for Purchased Power, Purchased Water and Pumped Water/ Pumped Water	AL 414-W	$3,958,881	**$2,839,112**	6/12/25 - 7/31/25	AL 414-W		
			AL 418-W	$2,537,105	**$1,421,237**	11/25/25 - [illegible]	AL 418-W		
		Reserve Account for Purchased Power, Purchased Water and Pumped Water/ Pumped Water		$1,247,150	**$2,837,282**	None	Future filing	This is the estimated balance before interest in San Jose Hills Service Area for period Jul. 2025 through Jun. 2026.	
	Recycled Water Balancing Account	To record the difference between recorded and authorized cost per acre foot vs. recorded cost per acre foot.	AL 414-W	$83,064	**$65,227**	6/12/25 - 7/31/25	AL 414-W		41
Suburban Water Systems - Whittier/La Mirada Service Area	Water Revenue Adjustment Mechanism Balancing Account	To track differences between recorded quantity rate water revenues received under conservation rates versus uniform rates for residential customers.	D.21-10-024	($69,884)	**($69,884)**	1/3/23 - 7/28/25	During 2023 GRC - D.24-12-030, D.25-07-012		34,776
			D.24-12-030	$830,300	**$944,506**	1/3/23 - 7/28/25	Included in GRC A.23-01-001 for periods through Aug. 2022. Future filing for periods Sept. 2022 - Jun. 2026.	The estimated unaudited WRAM balance before interest in Whittier/La Mirada Service Area includes period Sept. 2022 through Jun. 2026.	
	Volume Related Cost Balancing Account	Balancing Account for Purchased Power, Purchased Water and Pumped Water/ Pumped Water	AL 414-W	$3,409,503	**$2,472,306**	6/12/25 - 7/31/25	AL 414-W		
			AL 418-W	$1,044,252	**$586,351**	11/25/25 - 12/31/25	AL 418-W		
		Reserve Account for Purchased Power, Purchased Water and Pumped Water/ Pumped Water		$503,791	**$933,266**	None	Future filing	This is the estimated balance before interest in San Jose Hills Service Area for period Jul. 2025 through Jun. 2026.	
	Sativa Production Cost Balancing Account	To record the difference between the rcorded Water Replenishment District (WRD) Assessment and Liberty Park rates, and the adopted rates of $382 and $1,800 per acre foot, resplectively.	AL 418-W	$358,298	**$201,185**	11/25/25 - 12/31/25	AL 418-W	The amortization is included as part of Whittier/La Mirada balancing account for Purchased Power, Purchased Water and Pumped Water/ Pumped Water.	
Suburban Water Systems - Total Company	Conservation Expenses One-Way Balancing Account	To track the actual versus authorized conservation expenses, plus rebates received over the 3-year GRC cycle (2024 - 2026). Any unspent funds collected through rates can be returned to ratepayers.	D.24-12-030	$5,374	**($76,918)**	In Progress	Current GRC A.26-01-001		77,252
	Drinking Water Fees Balancing Account	To track the difference between all actual fees charged by the State Water Resources Control Board and the fees authorized in rates.	AL 395-W-A	$12,931	**$12,931**	In Progress	Current GRC A.26-01-001 through period June 2025. Future filing includes estimated Jul. 2025 - Jun. 2026.	This is an estimated amount excluding interest as of Dec. 2025.	