

	B	C	D	E	F	J	K	L	M	N	O	P	Q
	<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, 2014</u>	<u>Balance as of December 31, 2016</u>	<u>Balance as of June 30, 2017</u>	<u>Balance as of December 31, 2017</u>	<u>Balance as of June 30, 2018</u>	<u>Balance as of December 31, 2018</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			TOTAL CONNECTIONS AS OF:	Dec-18	517,709								
3	None	Conservation (Old Balancing Accounts)	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.	D.08-07-008, OP 24 [July 10, 2008]; D.06-08-011, OP 10 [August 24, 2006]	\$0	\$0	\$0	\$0	\$0	\$0	2012	ORA in A.12-07-007 (2012 GRC)	CLOSED
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	\$ 45,167,745	\$ 37,131,105	\$ 54,803,825	\$ 69,127,443	\$ 65,823,174	\$ 56,144,195	2018	Water Division in AL 2303-A (4/2018) and 2315 (9/2018).	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	\$0	\$0	2012	ORA in A.12-07-007 (2012 GRC)	CLOSED
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	\$ (5,898,915)	\$ (5,427,002)	\$ (5,309,024)	\$ (5,191,045)	\$ (5,073,067)	\$ (4,955,089)	2017	Res. W-5149 approving surcharge increase; implementation via AL 2267-A effective 1/1/2018.	Balance is the outstanding loan amount.
7	Z1	Conservation 2009 GRC (CEBA 1)	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.	D.10-12-017	\$ (3,510,095)	\$0	\$0	\$0	\$0	\$0	2012	ORA in A.12-07-007 (2012 GRC)	To be closed. (Residuals previously moved to General District Balancing Accounts.)

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

	B	C	D	E	F	J	K	L	M	N	O	P	Q
	<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, 2014</u>	<u>Balance as of December 31, 2016</u>	<u>Balance as of June 30, 2017</u>	<u>Balance as of December 31, 2017</u>	<u>Balance as of June 30, 2018</u>	<u>Balance as of December 31, 2018</u>	<u>Date Last Reviewed</u>	<u>Most Recent Conducted Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
1													
8	Z2	Conservation 2012 GRC (CEBA 2)	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.	D.14-08-011 (August 14, 2014); AL 2139 (10/21/14).	\$ (2,668,762)	\$ (1,751,732)	\$ (676,566)	\$ (274,513)	\$ -	\$ -	2017	Water Division in AL 2259 (March 2017)	To be closed. Credits authorized in AL 2259 ended 4/14/18, and net over-collected residual of \$4,356 has been moved to General District Balancing Accounts.
9	Z3	Conservation 2015 GRC (CEBA 3)	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.	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).	N/A	N/A	\$ (1,712,576)	\$ (2,261,248)	\$ (4,526,557)	\$ (6,875,988)	2016	Creation authorized in 2016 decision.	Net Overcollection. Opened via AL 2242 (for period of 1/1/17-12/31/19).
10	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	\$ 3,007,305	\$0	\$0	\$0	\$0	\$0	2012	ORA in A.12-07-007 (2012 GRC)	To be closed. (Residuals previously moved to General District Balancing Accounts.)
11	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	\$ (4,290,979)	\$ (2,086,902)	\$ (2,168,097)	\$ (879,946)	\$ -	\$ -	2017	Water Division in AL 2259 (March 2017)	To be closed. Credits authorized in AL 2259 ended 4/14/18, and net over-collected residual of \$12,690 has been moved to General District Balancing Accounts.
12	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)	N/A	N/A	\$ 3,076,891	\$ 6,656,497	\$ 11,638,716	\$ 16,493,923	2016	Creation authorized in 2016 decision.	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

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	B	C	D	E	F	J	K	L	M	N	O	P	Q
	<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, 2014</u>	<u>Balance as of December 31, 2016</u>	<u>Balance as of June 30, 2017</u>	<u>Balance as of December 31, 2017</u>	<u>Balance as of June 30, 2018</u>	<u>Balance as of December 31, 2018</u>	<u>Date Last Reviewed</u>	<u>Most Recent Review/Audit (either GRC or other Method)</u>	<u>Notes or Comments</u>
1													
13	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	\$ 1,074,769	\$ 3,001,743	\$ 2,605,921	\$ 1,103,296	\$ -	\$ -	2017	Water Division in AL 2259 (March 2017)	To be closed. Surcharges authorized in AL 2259 ended 4/14/18, and net under-collected residual of \$441,990 has been moved to General District Balancing Accounts.
14	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).	N/A	N/A	\$ (1,780,577)	\$ (2,881,247)	\$ (3,790,113)	\$ (3,515,774)	2016	Creation authorized in 2016 decision.	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
15	AJ	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	\$ 4,426,966	\$ (693,772)	\$ 638,823	\$ 1,463,395	\$ 1,714,463	\$ (213,304)	2017	Water Division in AL 2282 (December 2017)	Net Undercollection. Surcharge re-calculated in AL 2282 became effective 1/1/18.
16	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)	\$ 698,614	\$ (262,288)	\$ (537,465)	\$ 22,200	\$ 38,881	\$ 4,473	2017	Water Division in AL 2283 (December 2017)	Net Overcollection. Surcharge re-calculated in AL 2283 became effective 1/1/18.
17	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	\$ 736,203	\$ 394,474	\$ 665,998	\$665,831	\$ 6,876,221	\$ 6,603,783	2016	ORA in A.15-07-015 (2015 GRC) (6/30/15 balance)	Net Undercollection.

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	B	C	D	E	F	J	K	L	M	N	O	P	Q
	<u>Prelim</u>	<u>Balancing</u> <u>Account Name</u>	<u>Balancing Account</u> <u>Description</u>	<u>Authorizing Decision or</u> <u>Resolution or Advice Letter</u>	<u>Balance as of</u> <u>December 31</u> <u>2014</u>	<u>Balance as of</u> <u>December 31,</u> <u>2016</u>	<u>Balance as of</u> <u>June 30, 2017</u>	<u>Balance as of</u> <u>December 31,</u> <u>2017</u>	<u>Balance as of</u> <u>June 30, 2018</u>	<u>Balance as of</u> <u>December 31,</u> <u>2018</u>	<u>Date Last</u> <u>Reviewed</u>	<u>Most Recent</u> <u>Conducted</u> <u>Review/Audit</u> <u>(either GRC or other</u> <u>Method)</u>	<u>Notes or Comments</u>
1													
18	AR	Sales Reconciliation Mechanism BA	For districts in which Sales Reconciliation Mechanism is triggered, tracks the difference between revenue at SRM-assumed consumption levels, and actual revenues, for the period SRM-adjusted rates are effective.	D.14-08-011; AL 2154-A	\$0	\$0	\$0	\$0	\$0	\$0	2016	Water Division in AL 2242 (December 2016)	CLOSED via AL 2242 (eff. 1/1/17)
19	None	CBAs	Old Incremental Cost Balancing Accounts for purchased power and purchased water.	D.10-12-017 (December 2, 2010); AL 1964 (December 10, 2009), AL 1965 (December 19, 2009), and AL 2024 (February 2, 2011).	\$0	\$0	\$0	\$0	\$0	\$0	2013	Reported to DWA in response to LAO request in January 2013	CLOSED
20	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	\$ (1,157,222)	\$ (1,157,222)	\$ (1,174,086)	\$ (405,703)	\$ 129,638	\$ 83,316	2016	ORA in A.15-07-015 (2015 GRC) (6/30/15 balance)	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 will not end until 7/14/19, at which time residuals for all re-amortized districts will be moved to District...
21													
22													
23					\$ 37,585,629	\$ 29,148,404	\$ 48,433,068	\$ 67,144,959	\$ 72,831,357	\$ 63,769,535			

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 June 30, 2018, are due by August 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 per 8/8/2018 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 June 30, 2018</u>	<u>Balancing Account Description</u>
2018 Adopted WRAM Revenue	WRAM/MCBA	\$ 65,823,174.42	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.
Adopted average annual conservation budget for 2017-2019	Conservation 2015 GRC (CEBA 3)	\$ (4,526,556.63)	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, 2018 Q1, and 2018 Q2	Pension 2015 GRC (PCBA 3)	\$ 11,638,716.23	Tracks the difference between actual and authorized pension costs for 2017-2019.
Adopted expenses for 2017, 2018 Q1, and 2018 Q2	Health Cost BA - 2015 GRC (HCBA3)	\$ (3,790,113.40)	Tracks 85% of the difference between actual and authorized health care costs for 2017-2019.
Amount approved for amortization in AL 2282	LIRA Balancing Account	\$ 1,714,463.00	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 2259	Interim Rates (old GRCs) Balancing Accounts	\$ 129,638.00	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.

(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 9 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 June 30, 2018</u>	<u>Balancing Account Description</u>
WRAM/MCBA	\$ 65,823,174.42	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.
Health Cost BA - 2015 GRC (HCBA3)	\$ (3,790,113.40)	Tracks 85% of the difference between actual and authorized health care costs for 2017-2019.
District-Specific BAs	\$ 6,876,221.00	District-specific accounts in which small amounts, such as residuals from amortizations, are aggregated for later disposition.

(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.

Conservation 2015 GRC (CEBA 3)	\$ (4,526,556.63)	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.
Pension 2015 GRC (PCBA 3)	\$ 11,638,716	Tracks the difference between actual and authorized pension costs for 2017-2019.
Health Cost BA - 2015 GRC (HCBA3)	\$ (3,790,113)	Tracks 85% of the difference between actual and authorized health care costs for 2017-2019.
RSF Balancing Account	\$ 38,881	The Rate Support Fund tracks the subsidy for all customers in designated high-cost districts, and the surcharges collected to fund the program.
District-Specific BAs	\$ 6,876,221	District-specific accounts in which small amounts, such as residuals from amortizations, are aggregated for later disposition.
Interim Rates (old GRCs) Balancing Acco	129,638	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.

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

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