

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Application of Liberty Utilities (Apple Valley Ranchos Water) Corp. (U 346-W) for Authority to Increase Rates Charged for Water Service by \$3,105,867 or 10.15% in 2025, \$2,139,978 or 6.31% in 2026, and \$2,238,205 or 6.18% in 2027.

Application No. \_\_\_\_\_

**TEST YEAR 2025 GENERAL RATE CASE APPLICATION OF  
LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. (U 346-W)**

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Dated: January 2, 2024

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Application of Liberty Utilities (Apple Valley Ranchos Water) Corp. (U 346-W) for Authority to Increase Rates Charged for Water Service by \$3,105,867 or 10.14% in 2025, \$2,139,978 or 6.31% in 2026, and \$2,238,205 or 6.18% in 2027.

Application No. \_\_\_\_\_

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LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. (U 346-W)**

**I. INTRODUCTION**

Liberty Utilities (Apple Valley Ranchos Water) Corp. (U 346 W) (“Liberty Apple Valley” or Applicant), a California corporation, hereby files its Test Year 2025 General Rate Case (“GRC”) application. Liberty Apple Valley is a Class A Public Utility Water Company providing regulated water utility service in and near the Towns of Apple Valley and Yermo in San Bernardino County in the State of California. Liberty Apple Valley is a wholly-owned subsidiary of Liberty Utilities (Park Water) Corp. (“Liberty Park Water”), a California Corporation. Liberty Apple Valley’s Annual Reports to the Commission describe its field of operation, its property and equipment, by class and cost, and the depreciation and amortization reserves applicable to such property and equipment, by class. A certified copy of the amended Articles of Incorporation of Liberty Apple Valley is attached to this application as Exhibit G.

Liberty Apple Valley continuously undertakes measures to avoid increases to its overall cost of providing service to its customers by improving operational efficiencies. Those efficiencies achieved

have been offset by capital improvements and replacements of aging infrastructure dedicated to providing water service. The rates proposed in this application are necessary to recover the reasonable costs of providing safe and reliable water service on a sustained basis and to support the health, safety and well-being of the communities we serve.

## II. PRELIMINARY MATTERS

### A. Test Period

The period for this GRC Application is Test Year 2025, with post-Test Years, 2026 and 2027, selected as the Escalation Years. This is consistent with the rate case plan adopted by the Commission in D.07-05-062 (“RCP”).

### B. SB 960 Scoping Memorandum

This Application is a general rate increase proceeding and is therefore a “Rate Setting” proceeding. Evidentiary hearings may be necessary because of factual disputes that may arise on material issues such as water sales, operating revenue, operation and maintenance expenses, utility plant, depreciation, taxes, and revenue requirements. A proposed schedule for completing the proceeding is contained in Appendix A.<sup>1</sup>

### C. Summary of Requested Increase and Rate Base Changes

The requested 2025 revenue increase for Liberty Apple Valley above revenues generated by present rates is \$3,105,867 or 10.14%. At this time, Liberty Apple Valley is only requesting specific rates for Test Year 2025. Pursuant to the escalation year increase methodology adopted by the RCP, D.07-05-062 (Appendix A, page A-19), Liberty Apple Valley will file advice letters setting out its calculations and supporting analysis for the escalation year rates 45 days prior to the first day of each escalation year. For the sole purpose of providing customer notification, Liberty Apple Valley has estimated the impact of the escalation methodology for 2026 and 2027. The estimated revenue increase for 2026 is \$2,139,978 or 6.31% above the proposed revenue increase for Test Year 2025. The

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<sup>1</sup> Liberty Apple Valley’s parent – Liberty Utilities (Park Water) Corp. (“Liberty Park Water”) – is concurrently filing its GRC application. Liberty Park Water and Liberty Apple Valley shall move to consolidate the two GRC proceedings to achieve efficiencies and avoid any inconsistent resolutions of similar issues in the two proceedings. Consistent with Liberty’s prior GRC proceedings, Liberty Park Water and Liberty Apple will be filing a Joint Motion to consolidate the two GRC proceedings and to apply the 20-month multi-district schedule instead of the 14-month schedule that otherwise would apply to each GRC proceeding.

estimated revenue increase for 2027 is \$2,238,205 or 6.18% above the estimated revenue requirement for 2026. Liberty Apple Valley estimates that the requested increase will produce a rate of return on equity of 9.35% and a return on Liberty Apple Valley’s estimated rate base for Test Year 2025 of 7.35%. The requested return on equity and return on rate base is based on the cost of capital adopted by the Commission for Liberty Apple Valley in D.18-12-002. The requested rate increase is reasonable and necessary because present rates do not generate sufficient revenue to yield a fair, just and reasonable return on current and future capital investments in plant, property and other equipment devoted to providing utility service.

As required by D.07-05-062 (Appendix A, page A-22), the following table compares the proposed test year data (Test Year 2025) to the last adopted test year (Test Year 2022) and last recorded year (2022) data.

Comparison Between Proposed Test Year and Last Test Year Adopted and Last Recorded Year			
	Last Test Year	Last Recorded Year	Proposed Test Year
Total Rev Req \$	27,684,500	24,197,300	33,530,000
Rate Base \$	97,438,900	102,602,400	129,415,140
Rate Base %	32.82%	26.13%	
Operating Expenses \$	20,525,800	16,870,300	24,023,268
Operating Expenses %	17.04%	42.40%	
Rate of Return	7.35%	7.14%	7.35%

#### **D. Results of Operation**

The Application exhibits consist of the following:

- Financial Statements as of September 30, 2023 (Exhibit A);
- Liberty Apple Valley – Revenue Requirements Report (Exhibit B);
- Liberty Apple Valley – General Office Report (Exhibit C);
- Urban Water Management Plan Liberty Apple Valley (Exhibit D);
- Qualifications and Prepared Testimony (Exhibit E);
- Liberty Apple Valley – Response to Minimum Data Requirements (Exhibit F);
- Amended Articles of Incorporation (Exhibit G);
- Testimony of Timothy S. Lyons (Exhibit H);
- Testimony of Keith Switzer (Exhibit I);
- Testimony of Talha Shikh (Exhibit J);
- Affordability Metrics (Exhibit K); and
- Comparison Exhibit (Exhibit L).

The above-referenced exhibits, and the accompanying workpapers, describe Liberty Apple Valley’s overall results of operations and contain explanations of all significant changes from last adopted and recorded plant amounts and capital related costs, as well as an explanation of significant changes in circumstances or assumptions affecting the expenses and customer growth. A detailed reconciliation of significant changes between the proposed Test Year 2025 expenses and the last adopted and recorded expenses has not been prepared by Liberty Apple Valley because it would not yield any useful information. Specifically, the adopted expenses for Test Year 2022 were prepared during calendar year 2020 while the expenses proposed in this Application for Test Year 2025 were prepared during calendar year 2023. Liberty Apple Valley does not believe that an analysis of expense estimates that



were prepared three years apart for differing test periods is very useful. For a similar reason, Liberty Apple Valley does not believe that an analysis of the recorded expenses for year 2022, which is three years removed from the test period in this Application, is helpful. The workpapers contain a comparison of the proposed Test Year 2025 expenses and the five-year average of recorded expenses (2018 – 2022) escalated to 2025 dollars.

#### **E. Primary Cost Increases**

The rates for Liberty Apple Valley were last reviewed in Application 21-07-003 filed July 2, 2021. That Application requested rates for 2022, 2023, and 2024, and resulted in D.23-02-003 dated February 2, 2023. The rates for Liberty Apple Valley also reflect the cost of capital, last reviewed in Application 18-05-006 filed May 1, 2018. That Application requested cost of capital in rates for 2019, 2020, and 2021, and resulted in D.18-12-002 dated December 20, 2018. This GRC application proposes the rates required for Test Year 2025 including the cost of capital adopted by D.18-12-002. The proposed rates are increased over those presently in effect for the following reasons:

- Additional revenues to produce a fair rate of return on capital invested in property dedicated to providing utility service;
- Increased capital-related costs resulting from necessary infrastructure investments;
- Increases in unit costs of production;
- Inflationary increases anticipated during 2024 and the Test Year;
- Increases in payroll expense; and
- Increases in health and liability insurance

Detailed discussions of the above are contained in Exhibit B, the Revenue Requirements Report.

## **F. List of Issues of Controversy**

The contested issues decided by the Commission in the previous GRC included employee positions, payroll, vacancy adjustments, allocation factors, head office expenses, and capital related projects (new office building, well site improvements, storage tank, and meters). In the previous GRC, the Commission addressed issues relating to customers, water sales, operating revenue, rate design, and rate base. Liberty Apple Valley has no way of anticipating the positions the Public Advocates Office (“Cal Advocates”) will take in Liberty Apple Valley’s proposed Test Year 2025 revenue requirement. It has been Liberty Apple Valley’s experience that each GRC is unique with respect to the issues raised by the Cal Advocates. Liberty Apple Valley anticipates, however, that Cal Advocates may oppose Liberty Apple Valley’s proposed capital projects (\$16,775,394 in 2025, \$16,348,415 in 2026, and \$16,799,063 in 2027) and payroll budget (\$3,942,920 in 2025 and (\$4,100,635 in 2026). Based on Cal Advocates’ positions in prior GRCs, Liberty Apple Valley anticipates that Cal Advocates may also take issue with Liberty Apple Valley’s requested memorandum accounts (\$52,428 under-collection) (*see* Memorandum Accounts below) and balancing accounts (\$364,262 under-collection) (*see* Balancing Accounts below).

### **III. SUMMARY OF CONTENTS**

#### **A. Basic Information**

Testimony describing the basic information required by the RCP is contained in Exhibits B, C, and F.

#### **B. Regulated Plant in Service**

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's regulated plant in service is provided in Exhibits B (Chapter VI) and C (Chapter V). The workpapers identify and explain all capital additions, including analysis, evaluation and overall budget. A comparison of the forecast capital additions adopted in the last GRC and actual capital additions is contained in the accompanying workpapers. The calculation of the forecast capital additions is based on a five-year average of recorded plant additions and the explanation of significant changes from the last adopted and recorded regulated plant in service is contained in the accompanying workpapers.

#### **C. Revenue Requirement: Operations and Maintenance, Administrative and General, General Office**

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's revenue requirement related to Operations and Maintenance expense, Administrative and General expense, and General Office expense is contained in Exhibits B (Chapter IV), C (Chapter III), and F, respectively.

#### **D. Revenue Requirement: Water Sales and Production**

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's water sales and production is contained in Exhibits B (Chapter III) and F.

#### **E. Rate Base**

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's rate base is contained in Exhibits B (Chapter VIII), C (Chapter V), F and J.

**F. Supply and Distribution Infrastructure Status and Planning**

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's supply and distribution infrastructure status and planning is contained in Exhibits B (Chapter II), E and F.

**G. Conservation and Efficiency**

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's conservation and efficiency measures is contained in Exhibits B (Chapter II) and F.

**H. Water Quality**

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's water quality is contained in Exhibits B (Chapter X) and F. Liberty Apple Valley requests a Commission finding that the water service provided meets or exceeds State and Federal drinking water standards and meets the requirements of General Order 103A.

**I. Service Quality**

Testimony describing Liberty Apple Valley's service quality is contained in Exhibit B (Chapter II).

**J. Transactions with Corporate Affiliates**

Testimony describing Liberty Apple Valley transactions with corporate affiliates is contained in Exhibit C (Chapter I).

**K. Unregulated Transactions**

Liberty Apple Valley has one contract that is subject to the Excess Capacity Decision, D.00-07-018. The contract is with HomeServe, a provider of service line emergency repairs insurance. The contract is for use of Liberty Apple Valley's marks in HomeServe's marketing communications.

Testimony describing this contract is provided in Exhibit B (Chapter XII).

**L. Real Property Subject to Water Infrastructure Improvement Act of 1996**

Since the last GRC application, no real property has been determined to be no longer necessary or useful. There is no real property to report that is subject to the Water Infrastructure Improvement Act of 1996.

**M. Rate Design**

To promote water conservation, Liberty Apple Valley requests Commission authorization to continue its existing conservation rate design. For residential customers, the proposed conservation rate design consists of increasing block rates of three tiers. Liberty Apple Valley requests changes in the monthly service charges and rate differential. In addition, Liberty Apple Valley requests special rates for those residential customers who require a larger meter size due to having a fire sprinkler system. Due to the different characteristics of its non-residential customers, Liberty Apple Valley recommends retaining the single quantity conservation rate for non-residential customers. An increasing block rate design for non-residential classes, which encourages conservation but is not punitive to the business, industrial, and public authority customer classes, is not practical or feasible. Liberty Apple Valley proposes to continue the implementation of other measures to promote conservation to non-residential customers.

Liberty Apple Valley provides irrigation water through a gravity irrigation water system that is separate from its domestic water system. In the prior GRC, the Commission established rates for the gravity irrigation system that were based on a cost of service study submitted by Liberty Apple Valley. Liberty Apple Valley is submitting a new cost of service study for its gravity irrigation system for this rate case.

Liberty Apple Valley also requests approval to increase the reconnection charge.

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley's proposed rate design is contained in Exhibits B (Chapter XII) and H.

**N. Low-Income Assistance Program**

In D.05-12-020, the Commission authorized the establishment of a low-income ratepayer assistance program, now known as Customer Assistance Program (CAP). Liberty Apple Valley proposes to continue its existing CAP. The CAP consists of a \$10.00 per month service charge discount for customers meeting the income eligibility requirements established annually by the Commission. Liberty Apple Valley proposes to increase the current monthly service charge discount to \$11.01. Liberty Apple Valley also proposes increasing the existing surcharge of \$3.90 to \$5.09. The surcharge offsets the discounts provided to qualifying customers.

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley’s proposed low-income assistance program is contained in Exhibit B (Chapter II).

**O. Balancing Accounts**

**1. Water Consumption Plan**

Liberty Park Water requests Commission authorization to establish and implement two new balancing accounts: Consumption Revenue Balancing Account (CRBA) and Consumption Cost Balancing Account (CCBA).

Testimony, with supporting analysis and documentation, describing Liberty Apple Valley’s request for the CRBA and CCBA is contained in Exhibit I.

**2. CAP Revenue Reallocation Balancing Account**

Liberty Park Water requests that the Commission authorize continuation of the CAP Revenue Reallocation Balancing Account. This account remains necessary to track the difference between the recorded discounts provided by the CAP program and the surcharge collected to fund the CAP program.

Liberty Apple Valley also requests that the Commission review its CAP Revenue Reallocation Balancing Account for approval to include the under-collected balance in developing the surcharge rate to fund its CAP program.

**3. Conservation Expense One-Way Balancing Account**

Liberty Apple Valley requests Commission approval to transfer the residual balance recorded in its Conservation Expense One-Way Balancing Account to the Consolidated Expense Balancing Account.

**4. Consolidated Expense Balancing Account**

Liberty Apple Valley requests Commission approval to refund the residual over-collection balance in its Consolidated Expense Balancing Account and to authorize continuation of this account.

**5. Incremental Cost Balancing Account**

Liberty Apple Valley requests Commission approval to recover the balance recorded in the Incremental Cost Balancing Account through a surcharge to its gravity irrigation customer and to authorize continuation of this account.

**6. Employee Retiree Healthcare Balancing Account/Tangible Property Regulations Consequences Memorandum Account**

Liberty Apple Valley requests Commission approval to refund the over-collected balance recorded in the Employee Retiree Healthcare Balancing Account and Tangible Property Regulations Consequences Memorandum Account.

**7. Water Revenue Adjustment Mechanism/Modified Cost Balancing Account**

Liberty Apple Valley requests Commission approval to refund the over-collected balance recorded in the Water Revenue Adjustment Mechanism and Modified Cost Balancing Account.

Testimony, with supporting analysis and documentation, on Liberty Apple Valley's balancing accounts is provided in Exhibit B (Chapter XI).

**P. Memorandum Accounts**

**1. Tax Cuts and Jobs Act Memorandum Account**

Liberty Apple Valley requests that the Commission review its Tax Cuts and Jobs Acts Memorandum Account for approval and authorize refunding the residual balance to customers through a surcredit. Liberty Apple Valley requests the residual over-collection balance be transferred to the Consolidated Expense Balancing Account.

**2. Catastrophic Event Memorandum Account**

Liberty Apple Valley requests that the Commission review its Catastrophic Event Memorandum Account for approval to recover the under-collected balance and to authorize continuation of this account. Liberty Apple Valley proposes the balance be transferred to the Consolidated Expense Balancing Account.

**3. Conservation Memorandum Account**

Liberty Apple Valley requests approval to establish a memorandum account to track the incremental costs associated with complying with the new conservation regulations proposed by the State Water Resources Control Board.

Testimony, with supporting analysis, on Liberty Apple Valley's memorandum accounts is provided in Exhibit B (Chapter XI).

**Q. Cost of Capital**

Pursuant to D.07-05-062, Liberty Apple Valley's cost of capital is determined in separate proceedings, not in applications for a general rate increase. Accordingly, Liberty Apple Valley has not included in this Application testimony regarding its cost of capital. For purposes of determining the revenue requirement, Liberty Apple Valley has based its capital structure and cost of capital on the most



recent cost of capital decision for Liberty Apple Valley, D.18-12-002.<sup>2</sup> On May 1, 2023, Liberty Apple Valley filed its latest cost of capital application for the 2024-2027 period.<sup>3</sup>

**R. Special Requests**

**1. Expense Offset Advice Letters**

Liberty Apple Valley proposes that the Commission recognize any subsequent offsets prior to the issuance of a final decision in this GRC. A final decision in this proceeding should reflect the change in revenue requirement caused by any expense offset advice letters. Offset-able expense price changes are not forecast in a GRC. Liberty Apple Valley's proposal would alleviate any potential customer confusion from repeated customer notices and additional workload for Commission and Liberty Apple Valley staff arising from repeat advice letter filings to implement the expense offset increases.

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<sup>2</sup> In D.18-12-002, the Commission issued Decision on Liberty Park Water's cost of capital applications for 2019-2021.

<sup>3</sup> Pursuant to the RCP, Liberty Apple Valley was scheduled to file its cost of capital application on May 1, 2021 for the 2022-2024 period. By letters of the Executive Director dated March 12, 2020 and May 28, 2020, the Commission granted a one-year delay of the cost of capital filing for those water companies scheduled to file in 2020 and 2021. By letter of the Executive Director dated March 25, 2022, the commission granted an additional one-year delay of the cost of capital filing for those water companies scheduled to file on May 1, 2022 to May 1, 2023 for the 2024-2026 period. Accordingly, Liberty Apple Valley's authorized cost of capital for 2022-2023 remains as authorized in D.18-12-002.

#### **IV. PROCEDURAL MATTERS**

##### **A. Filings**

The proposed Application and supporting testimony, as well as the workpapers, will be concurrently served on the Public Advocates Office. In addition, a copy of the proposed Application and supporting testimony will be provided to the Commission's Legal Division and the Water Division.

##### **B. Proposed Schedule**

The proposed Schedule is attached hereto as Appendix A. This timetable corresponds to the RCP's multi-district filings schedule.

##### **C. Proposed Notice to Customers**

A Proposed Notice to Customers is attached hereto as Appendix B. The proposed notice describes the reasons for the requested increase and estimate the average bill increase for a typical customer by customer class. The proposed notice has been submitted for review to the Commission's Public Advisor office.

##### **D. Inquiries**

Inquiries for clarification or additional data should be addressed to:

Manasa Rao  
Senior Director, Rates and Regulatory Affairs  
Liberty (West Region)  
9750 Washburn Road  
P. O. Box 7002  
Downey, CA 90241-7002  
Phone: (562) 805-2010  
Email: [Manasa.Rao@LibertyUtilities.com](mailto:Manasa.Rao@LibertyUtilities.com)

With a copy to:

With a copy to: Tiffany Thong  
Manager, Rates and Regulatory Affairs  
Liberty Utilities (Apple Valley Ranchos Water) Corp.  
9750 Washburn Road  
P. O. Box 7002  
Downey, CA 90241-7002  
Phone: (562) 805-2088  
Email: [Tiffany.Thong@LibertyUtilities.com](mailto:Tiffany.Thong@LibertyUtilities.com)

And an additional copy to:

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V. **REQUEST FOR RELIEF**

WHEREFORE Applicant Liberty Apple Valley respectfully requests that the Commission grant this GRC Application and render Findings of Fact and Conclusion of Law and issue orders consistent with the following:

- a. The revenue requirements and associated rates proposed and requested by Liberty Apple Valley are fair, just and reasonable;
- b. Liberty Apple Valley be granted its Special Requests and approvals related to Balancing and Memorandum Accounts as set forth in the materials accompanying this submission;
- c. Liberty Apple Valley be authorized to publish, file and make effective, as of January 1, 2025, the proposed revenue requirement and associated rates requested or such other revenue requirements and associated rates as will result in the additional gross revenues requested in this Application; and
- d. Granting such further, additional, and other relief as may be deemed reasonable, necessary and proper by the Commission.

Dated at Downey, California, January 2, 2024.

Respectfully submitted,

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

By: /s/ Manasa Rao  
Manasa Rao  
Senior Director, Rates and Regulatory Affairs  
Liberty (West Region)

Dated: January 2, 2024

**VERIFICATION**

I, Edward N. Jackson, hereby declare that I am the President of Liberty Utilities (California) and that I have read the foregoing Application; and that the information set forth therein concerning Liberty Utilities (Apple Valley Ranchos Water) Corp. is true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the forgoing is true and correct.

Executed this 2<sup>nd</sup> day of January 2024, at Downey, California

*/s/ Edward N. Jackson*

\_\_\_\_\_  
Edward N. Jackson  
President  
Liberty (California)

**Appendix A**  
**Proposed Schedule**

APPENDIX A

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.  
Rate Case Processing Plan (RCPP) Timetable  
Test Year 2025

Formal RCPP Activities:

1. Proposed Application Tendered	-60	November 1, 2023
2. Deficiency Letter Mailed	-30	December 4, 2023 <sup>1</sup>
3. Appeal to Executive Director	-25	December 8, 2023
4. Executive Director Acts	-20	December 13, 2023
5. Application Filed	0	January 2, 2024
6. Pre-Hearing Conference	10-75	January 12, 2024- March 18, 2024 <sup>1</sup>
7. Public Participation Hearing (as needed)	10-190	January 12, 2024- July 10, 2024
8. Update of Applicant's Showing	100	April 11, 2024
9. DRA and Intervenor(s) distribute Reports	204	July 24, 2024
10. Other Parties Serve Testimony	218	August 7, 2024
11. Rebuttal Testimony	264	September 23, 2024 <sup>1</sup>
12. Formal Settlement Negotiations	270-290	September 28, 2024- October 18, 2024
13. Evidentiary hearings (if required)	290-310	October 18, 2024- November 7, 2024
14. Opening Briefs Filed and Served <sup>2</sup>	340	December 6, 2024 <sup>1</sup>
15. Motion for Interim Rates	340	December 6, 2024 <sup>1</sup>
16. Mandatory Status Conference	341	December 9, 2024 <sup>1</sup>
17. Reply Briefs Filed and Served (with Comparison Exhibit)	350	December 17, 2024 <sup>2</sup>
18. Water Division Technical Conference	370	January 6, 2025
19. Proposed Decision Mailed	460	April 7, 2025 <sup>1</sup>
20. Comments on Proposed Decision	480	April 25, 2025 <sup>1</sup>
21. Reply Comments	485	May 1, 2025
22. Commission Meeting	500	May 16, 2025

<sup>1</sup> Adjusted not to fall on weekend or holiday.

<sup>2</sup> The detailed and complete joint comparison exhibit showing all parties' final positions shall also be filed at this time.

**Appendix B**

**Notice of Application for a GRC**



**Si necesita asistencia en español, tenemos representantes de servicio al cliente disponibles para ayudarle cuando lo solicite, por favor llame al número 1-800-481-9190**

**NOTICE OF APPLICATION  
Liberty Utilities (Apple Valley Ranchos Water) Corp.’s Request to Increase Water Rates  
APPLICATION NO. A.24-xx-xxx**

**Why am I receiving this notice?**

On January 2, 2024, Liberty Utilities (Apple Valley Ranchos Water) Corp. (Liberty Apple Valley) filed its General Rate Case (GRC) Application with the California Public Utilities Commission (CPUC). The application filing by Liberty Apple Valley requests to increase rates over a three-year period, covering the years 2025 through 2027. This request to increase rates would be effective beginning July 1, 2025.

**Why is Liberty Apple Valley requesting this rate increase?**

The CPUC requires Liberty Apple Valley to submit a GRC application every three years. Liberty Apple Valley is requesting authorization to increase revenues by \$3,105,867 (or 10.14%) for 2025, \$2,139,978 (or 6.31%) in 2026, and \$2,238,205 (or 6.18%) in 2027. The total requested increase for all three years combined would be \$7,484,050 (or 22.63%).

The requested increase in this GRC will allow Liberty Apple Valley to cover its anticipated costs from 2025 through 2027 for improvements to the water supply system, production expenses, property taxes, depreciation expenses, other operations expenses, and allocated general office expenses.

**How could this affect my monthly water rates?**

If the proposed application is approved by the CPUC, the average residential customer with a 5/8 x 3/4” meter using 12 Ccf (1 Ccf = 748 gallons) would see a monthly bill increase of \$11.25 (or 13.32%) from \$84.44 to \$95.69 in 2025, \$5.96 (or 6.22%), from \$95.69 to \$101.65 in 2026, and \$6.49 (or 6.38%), from \$101.65 to \$108.14 in 2027 (excluding any applicable taxes and surcharges).

**Monthly Meter Service Charge Schedule**

	<b>2024 (Current)</b>	<b>2025 (Proposed)</b>	<b>Decrease</b>	<b>2026 (Proposed)</b>	<b>Increase</b>	<b>2027 (Proposed)</b>	<b>Increase</b>
5/8	\$37.35	\$30.09	(19.44%)	\$31.95	6.18%	\$33.97	6.32%
3/4	\$56.03	\$45.14	(19.44%)	\$47.93	6.18%	\$50.96	6.32%
1	\$93.38	\$75.23	(19.44%)	\$79.88	6.18%	\$84.93	6.32%
1 1/2	\$186.75	\$150.45	(19.44%)	\$159.75	6.18%	\$169.85	6.32%
2	\$298.80	\$240.72	(19.44%)	\$255.60	6.18%	\$271.76	6.32%
3	\$560.25	\$451.35	(19.44%)	\$479.25	6.18%	\$509.55	6.32%
4	\$933.75	\$752.25	(19.44%)	\$798.75	6.18%	\$849.25	6.32%
6	\$1,867.50	\$1,504.50	(19.44%)	\$1,597.50	6.18%	\$1,698.50	6.32%
8	\$2,988.00	\$2,407.20	(19.44%)	\$2,556.00	6.18%	\$2,717.60	6.32%
10	\$4,295.25	\$3,460.35	(19.44%)	\$3,674.25	6.18%	\$3,906.55	6.32%

### Commodity Rate Schedule

Residential Customers		Rates Proposed in Application					
Usage	Present Rates	2025 Rates	Increase	2027 Rates	Increase	2028 Rates	Change
0 to 13 Ccf	\$3.364	\$5.327	58.35%	\$5.659	6.24%	\$6.022	6.41%
13 to 26 Ccf	\$4.485	\$5.607	25.02%	\$5.957	6.24%	\$6.339	6.41%
Over 26 Ccf	\$7.759	\$9.252	19.24%	\$9.829	6.24%	\$10.459	6.41%
Other Customers: (Business, Industrial, Public Authority)	\$4.485	\$5.607	25.02%	\$5.957	6.24%	\$6.339	6.41%
Gravity Irrigation	\$0.627	\$0.656	4.63%	\$0.762	16.16%	\$0.790	3.67%

#### How does the rest of this process work?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt Liberty Apple Valley’s application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding may review Liberty Apple Valley’s application, including the Public Advocates Office, which is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information regarding the Public Advocates Office, please call 1-415-703-1584, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit [PublicAdvocates.cpuc.ca.gov](http://PublicAdvocates.cpuc.ca.gov).

#### Where can I get more information?

##### Contact Liberty Apple Valley

Phone: (800) 481-9190  
 Email: [DLCAAVRCustomerService@libertyutilities.com](mailto:DLCAAVRCustomerService@libertyutilities.com)  
 Mail: Liberty Utilities (Apple Valley Ranchos Water) Corp.  
 Attention: Regulatory Department  
 21760 Ottawa Road, Apple Valley, CA 92308

A copy of the Application and any related documents may also be reviewed at <http://www.libertyutilities.com>.

##### Contact CPUC

Please visit [apps.cpuc.ca.gov/c/A24xxxxx](http://apps.cpuc.ca.gov/c/A24xxxxx) to submit a comment about this proceeding on the CPUC Docket Card. You can also view documents and other public comments related to this rate request.

If you have questions about CPUC processes, you may contact the CPUC’s Public Advisor’s Office at:

Phone: 1-866-849-8390  
 Email: [Public.Advisor@cpuc.ca.gov](mailto:Public.Advisor@cpuc.ca.gov)  
 Mail: CPUC Public Advisor’s Office  
 505 Van Ness Avenue  
 San Francisco, CA 94102

Please reference **Application 24-xx-xxx** in any communications you have with the CPUC regarding this matter.