Application No.:	A.24-09-010
Exhibit No.:	Liberty-12
Witnesses:	A. Lykens

(U 933-E)

Liberty Utilities (CalPeco Electric) LLC

2025 General Rate Case

Before the California Public Utilities Commission

Rebuttal Testimony - Capital

Tahoe Vista, California

July 24, 2025

Liberty Utilities (CalPeco Electric) LLC: 2025 GRC Rebuttal

Table of Contents

Liberty Utilities (CalPeco Electric) LLC: 2025 GRC Rebuttal

List of Tables

I.
CAPITAL

A. Introduction

Liberty's capital forecast includes prudent investments in projects and programs that maintain the safety and reliability of its system and protect its customers and communities from the risks of extreme wildfires. Liberty's 2025 Wildfire Mitigation Plan ("WMP") set forth wildfire mitigation projects and programs that were evaluated and approved by the Office of Energy Infrastructure Safety, and Liberty seeks recovery of the costs to implement them in this GRC.

As detailed below, Liberty has revised its capital forecast resulting in reductions totaling $30.459 million resulting in a forecast from 2024-2027 which is $7.218 million ***less*** than Cal Advocates' proposed forecast and only $21.860 million higher than TURN's proposed forecast. Liberty's and TURN's respective capital forecasts differ only on substations, underground rebuilds, and the resiliency program. Liberty has accepted TURN's alternate proposal for underground rebuilds and makes adjustments to its substation forecast, which results in Liberty's 2024-2027 substation forecast being $1.842 million ***less*** than TURN's substation forecast. In total, when adjusting for TURN's alternate underground rebuild forecast, Liberty and TURN's 2024-2027 capital forecasts are only $11.560 million apart.

Table I-1 provides a comparison of Liberty's original and revised forecast by major category.

Table I-1
Safety and Reliability - Distribution
Liberty and Cal Advocates Forecast Comparisons
($000)

	Liberty - Original					Liberty - Rebuttal					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Distribution	6,568	11,744	10,121	14,009	42,442	6,568	9,344	8,321	13,409	37,642	(4,800)
Substation	4,188	7,913	37,374	30,607	80,082	2,245	2,369	19,893	29,916	54,423	(25,659)
Wildfire	24,572	45,098	20,713	20,673	111,056	24,572	45,098	20,713	20,673	111,056	-
Customer-Driven	7,578	7,787	8,001	8,221	31,587	7,578	7,787	8,001	8,221	31,587	-
Other	11,451	17,461	15,071	6,894	50,877	11,451	13,961	12,071	13,394	50,877	-
Grand Total	54,357	90,003	91,280	80,404	316,044	52,414	78,559	68,999	85,613	285,585	(30,459)

The tables below compare Liberty's revised forecast to Cal Advocates' and TURN's proposed capital forecasts.

Table I-2
Capital Forecast Major Category
Liberty's Revised Forecast vs Cal Advocates Proposal
($000)

	Liberty - Revised Forecast					Cal Advocates					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Distribution	6,568	9,344	8,321	13,409	37,642	5,762	10,933	9,298	13,172	39,165	1,523
Substation	2,245	2,369	19,893	29,916	54,423	4,188	7,913	37,374	30,607	80,082	25,659
Wildfire	24,572	45,098	20,713	20,673	111,056	21,298	43,201	18,412	19,170	102,081	(8,975)
Customer-Driven	7,578	7,787	8,001	8,221	31,587	7,413	7,618	7,827	8,043	30,901	(686)
Other	11,451	13,961	12,071	13,394	50,877	10,458	12,357	12,207	5,552	40,574	(10,303)
Grand Total	52,414	78,559	68,999	85,613	285,585	49,119	82,022	85,118	76,544	292,803	7,218

Table I-3
Capital Forecast Major Category
Liberty's Revised Forecast vs TURN Proposal
($000)

	Liberty - Revised Forecast					TURN					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Distribution	6,568	9,344	8,321	13,409	37,642	6,568	6,744	6,921	7,109	27,342	(10,300)
Substation	2,245	2,369	19,893	29,916	54,423	2,245	4,098	9,627	40,295	56,265	1,842
Wildfire	24,572	45,098	20,713	20,673	111,056	24,572	31,696	20,713	20,673	97,654	(13,402)
Customer-Driven	7,578	7,787	8,001	8,221	31,587	7,578	7,787	8,001	8,221	31,587	-
Other	11,451	13,961	12,071	13,394	50,877	11,451	17,461	15,071	6,894	50,877	-
Grand Total	52,414	78,559	68,999	85,613	285,585	52,414	67,786	60,333	83,192	263,725	(21,860)

B. Safety and Reliability – Distribution

The Safety and Reliability - Distribution category includes programs and projects essential to maintaining the safety and reliability of Liberty's distribution system. Both Cal Advocates and TURN recommend adjustments to Liberty's forecasts, primarily based on differences in forecasting methodologies. Table I-2 provides a comparison of Liberty's revised forecast and Cal Advocates' forecast by category. Table I-3 provides a comparison of Liberty's revised forecast and TURN's forecast by category.

Table I-4
Safety and Reliability - Distribution
Liberty and Cal Advocates Forecast Comparisons
($000)

Expense Category	Liberty - Revised					Cal Advocates					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Safety and Reliability - Distribution											
Pole Replacements Per Test	464	477	490	504	1,935	464	477	490	504	1,935	-
Overhead Failures/Services	1,741	1,789	1,838	1,889	7,257	1,274	1,687	1,738	1,790	6,489	(768)
Underground Failures/Services	1,161	1,193	1,225	1,259	4,838	1,089	1,193	1,225	1,259	4,766	(72)
Overhead Rebuilds	2,259	2,321	2,385	2,450	9,415	2,259	1,835	1,890	1,947	7,931	(1,484)
Underground Rebuilds	478	3,086	1,893	6,802	12,259	478	5,486	3,693	7,402	17,059	4,800
Submersible Transformer Replacements	5	5	5	6	21	-	5	5	6	16	(5)
Claims	195	201	206	212	814	195	201	206	212	814	-
Street and Highway Improvements	265	272	279	287	1,103	3	49	51	52	155	(948)
Total Safety and Reliability - Distribution	6,568	9,344	8,321	13,409	37,642	5,762	10,933	9,298	13,172	39,165	1,523

Table I-5
Safety and Reliability - Distribution
Liberty and TURN Forecast Comparisons
($000)

Expense Category	Liberty - Revised					TURN					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Safety and Reliability - Distribution											
Pole Replacements Per Test	464	477	490	504	1,935	464	477	490	504	1,935	-
Overhead Failures/Services	1,741	1,789	1,838	1,889	7,257	1,741	1,789	1,838	1,889	7,257	-
Underground Failures/Services	1,161	1,193	1,225	1,259	4,838	1,161	1,193	1,225	1,259	4,838	-
Overhead Rebuilds	2,259	2,321	2,385	2,450	9,415	2,259	2,321	2,385	2,450	9,415	-
Underground Rebuilds	478	3,086	1,893	6,802	12,259	478	486	493	502	1,959	(10,300)
Submersible Transformer Replacements	5	5	5	6	21	5	5	5	6	21	-
Claims	195	201	206	212	814	195	201	206	212	814	-
Street and Highway Improvements	265	272	279	287	1,103	265	272	279	287	1,103	-
Total Safety and Reliability - Distribution	6,568	9,344	8,321	13,409	37,642	6,568	6,744	6,921	7,109	27,342	(10,300)

1. Forecasting Methodologies

Except for underground rebuilds and claims, Liberty relied on a five-year (2018-2022) average of recorded costs to develop its forecasts in each category, consistent with the accepted methodology for reactive type work such as failures and rebuilds and equipment replacements. While Cal Advocates also relied on five-year (2020-2024) averages to develop its recommendations for reductions to certain categories, it ignored the categories where forecasts increased when using more recent data. Specifically, Cal Advocates accepted the forecasts that were lower when relying on more recent data but ignored forecasts that were higher. Had Cal Advocates been consistent with its forecast methodology across all

forecasts in this section, Cal Advocates' forecast would have been approximately $1.1 million higher than Liberty's forecast. As such, the Commission should reject Cal Advocates' forecasts and adopt Liberty's forecasts in this category in full.

2. Underground Rebuilds

Underground rebuilds include the replacement and rebuilding of aging distribution underground infrastructure. To develop the forecast, Liberty utilized a five-year (2018-2022) average of recorded costs for routine underground replacement and developed additional cost forecasts for specific larger underground rebuilds that will be completed in 2024-2027.

TURN recommends removing the costs for all specific projects from Liberty's capital forecast and relying on a five-year average of recorded costs to develop a forecast for underground rebuilds, "given past trends, deferred projects, recent underspending, and the lack of documentation for any of the specific proposed underground rebuilds."[1]

TURN's recommendation does not account for several significant factors. Liberty's prior delays for specific underground rebuild projects arose from wildfire-related reprioritization, which do not impact current project viability, as well as permitting, environmental review, and design work delays, which have been addressed. Liberty's requests are tied to specific scoped projects with updated field data, cost forecasts, known constraints, and execution plans. These projects are critical to maintain safe and reliable service to Liberty's customers served by underground infrastructure.

In the event the Commission approves specific projects, TURN alternatively proposes that the Commission reduce the Tahoe Keys project forecast to reflect Liberty's updated forecast with an additional reduction in 2027 of $0.600 million to account for likely delays.

Liberty accepts TURN's alternate proposal concerning the Tahoe Keys project, which should be adopted by the Commission. No other party has opposed Liberty's request in this category.

C. Safety and Reliability – Substation

Liberty's substation capital forecast is based on the Qualus Study, a formal substation risk assessment that identified multiple substations at high risk of failure due to age, condition, and lack of operational flexibility. Although Liberty's original forecast included work at several substations in this GRC cycle, Liberty subsequently refined its substation capital plan to focus on the substations with the highest risk, specifically the Stateline and Meyers substations. Together, these two substations serve

[1] TURN-03, p. 5.

approximately half of Liberty's customers. The planned upgrades will significantly improve both reliability and operational flexibility in South Lake Tahoe, particularly when paired with Liberty's transmission upgrade work planned for 2028.

Cal Advocates did not oppose Liberty's original substation capital forecast.

TURN recommends shifting the forecast for substation projects that did not initiate in 2024 as planned by at least one year. Liberty's revised forecast shifts the forecast costs for the Squaw Valley, Prosser, Sierra Brooks, Cemetery, and Glenshire substations beyond this GRC cycle to allow Liberty to focus its resources on the Stateline and Meyers substations. Table I-6 provides a comparison of Liberty's revised forecasts and TURN's forecasts by project.

As discussed further in this section, the Stateline substation and Meyers substation projects are important projects.

Table I-6
Safety and Reliability – Substation
Liberty and TURN Forecast Comparisons
($000)

	Liberty - Revised					TURN					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Safety and Reliability - Substation											
Portola Substation	1,379	-	-	-	1,379	1,379	-	-	-	1,379	-
Squaw Valley Substation	-	-	-	-	-	-	-	2,169	3,708	5,877	5,877
Prosser Substation	-	-	-	-	-	-	-	276	1,234	1,510	1,510
Stateline Substation	-	-	2,000	22,000	24,000	-	92	1,364	5,720	7,176	(16,824)
Sierra Brooks Substation	-	-	-	-	-	-	92	-	942	1,034	1,034
Cemetery Substation	-	-	-	-	-	-	-	1,269	5,444	6,713	6,713
Glenshire Substation	-	-	-	-	-	-	92	1,614	5,008	6,714	6,714
Meyers Substation	-	-	17,000	7,000	24,000	-	1,453	2,042	17,322	20,817	(3,183)
Beckworth Peak Substation	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment Replacement	816	2,108	624	641	4,189	816	2,108	624	641	4,189	-
Substation/Distribution Automation	50	261	269	275	855	50	261	269	276	856	1
Total Safety and Reliability - Substation	2,245	2,369	19,893	29,916	54,423	2,245	4,098	9,627	40,295	56,265	1,842

1. Stateline Substation

The Stateline substation is located in South Lake Tahoe and serves approximately 5,500 customers. The Stateline substation project has several action items and ranks second on the priority list of large substation rebuilds. This substation has an increased risk of wildfire due to the presence of wooden structures and older oil filled equipment, along with the vegetation in its vicinity.

The inability to transfer the entire distribution load to another transformer when one transformer is faulted or undergoing maintenance makes the current setup of the substation vulnerable with the potential of disrupting 5,500 customers in the heart of South Lake Tahoe.

The substation has three transformers (#1, #3, #4). Transformer #4 and Regulator #4 will be retired and replaced by Transformer #2. Transformer #4 is one of the older transformers and has limited capacity. Transformer #4 is not equipped with a load tap changer (LTC) so it requires a separate voltage regulator. The LTC or voltage regulator allows Liberty to monitor the voltage for customers fed from the substation. This transformer feeds to an old 14.4-kilovolt wooden box structure that only has one feeder served by a Viper recloser, controlled by an SEL-351 inside the small control enclosure. For optimal reliability and ease of service restoration, the best practice is for two distribution power transformers to be of equivalent size and able to operate in parallel with a bus tie breaker. Each transformer would feed its respective 14.4-kilovolt bus with the bus tie breaker in a normally open position. Consequently, in the event of a fault or required maintenance, one transformer would be able to handle the entire distribution load of both transformers. Presently, this substation is not equipped with the ability to serve load from one transformer during peak loads. If Transformer #1 at the Stateline substation were to fail during peak load periods, there would be significant issues with supplying the load, as the entire load cannot be shifted to Transformer #4. Similarly, the potential loss of Transformer #4 during peak load would cause Transformer #1 to be overloaded. As such, Liberty will add Transformer #2 in parallel to Transformer #1, so that one transformer will be able to handle the entire distribution load in the event of a fault or maintenance requirement. Transformer #4 will be removed from service.

Liberty's revised forecast includes costs of $2 million in 2026, and $22 million in 2027. Liberty proposes that the Commission authorize this project for advice letter treatment, which would allow Liberty to recover the costs associated with the Stateline substation via a Tier 2 advice letter once the project is placed into service, capped at the $24 million forecast. This methodology was approved in Liberty's last GRC for its Customer First, AMI, and National to Beach Rule 20 projects.[2]

2. Meyers Substation

The Meyers substation located in South Lake Tahoe serves nearly 17,000 customers, the most customers out of all of Liberty's substations. As discussed below, certain maintenance and upgrades are required for this substation to operate effectively and reliably.

The Meyers substation consists primarily of steel structures, some of which are significantly aged. Additionally, the capacity of the existing transformers restricts the ability of the system to support the full distribution load if one transformer should fail during peak load periods.

[2] D.23-04-043, OPs 9 and 10.

Transformer #1 has aged external slipover current transformers ("CTs"). Both Transformers #1 and #2 have separate voltage regulators. According to the peak loading sheet from 2022, Transformer #1 was loaded at 17.5-megavolt ampere, while Transformer #2 was loaded at 23.67-megavolt ampere. Such results demonstrate that, during transformer maintenance or a fault, the substation cannot support the entire distribution load during peak periods. Liberty will replace Transformer #1 and #2 with new larger LTC transformers whose capacity can carry the full distribution load alone.

Transformer #3 is aged and contains external slipover CTs, some of which are cracking. Transformer #3 is not equipped with an LTC and is associated with Regulator #3. Liberty will replace the transformer with a new 120/60-kilovolt auto transformer. Replacing Transformer #3 enables the removal of Regulator #3. The scope also includes new 120-kilovolt line coupling capacitor voltage transformers and new 120-kilovolt bus tie breaker and other associated equipment, which will support a more efficient and reliable system.

Liberty's revised forecast for this project includes costs of $17 million in 2026 and $7 million in 2027. Liberty proposes that the Commission authorize this project for advice letter treatment, which would allow Liberty to recover the costs associated with the Meyers substation via a Tier 2 advice letter once the project is placed into service, capped at the $24 million forecast. This methodology was approved in Liberty's last GRC for its Customer First, AMI, and National to Beach Rule 20 projects.[3]

D. Safety and Reliability – Wildfire Mitigation

Liberty's Wildfire Mitigation capital forecasts, as shown in Table I-7, are based on the projects discussed in Liberty's Wildfire Mitigation Plan ("WMP").

[3] D.23-04-043, OPs 9 and 10.

Table I-7
Safety and Reliability Projects – Wildfire Mitigation
Liberty and Cal Advocates Forecast Comparisons
($000)

	Liberty - Revised					Cal Advocates					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Safety and Reliability - Wildfire											
Automatic Reclosers and Fast-Curve Setting	1,000	1,500	-	-	2,500	1,000	1,500	-	-	2,500	-
Covered Conductor	7,135	11,160	7,081	6,361	31,737	6,134	9,960	7,081	6,361	29,536	(2,201)
Distribution Fault Anticipation	50	50	-	-	100	50	50	-	-	100	-
Fuse Replacement Program	1,000	1,000	2,000	2,000	6,000	699	699	1,001	1,699	4,098	(1,902)
Resiliency Program (Poles and Fuses)	8,800	25,786	-	2,000	36,586	8,800	25,786	-	2,000	36,586	-
Emerging Technology	-	-	2,500	100	2,600	-	-	2,500	100	2,600	-
Traditional Overhead Hardening Initiative	3,500	2,500	5,000	5,000	16,000	2,049	2,500	4,000	4,000	12,549	(3,451)
Tree Attachment Program	1,072	1,102	1,132	1,163	4,469	776	906	1,030	1,161	3,873	(596)
Weather Stations	15	-	-	-	15	15	-	-	-	15	-
Northstar Redundancy (2nd Transformer)	-	-	-	1,049	1,049	-	-	-	1,049	1,049	-
Wire Upgrade Program (Open Wire/Gray Wire)	2,000	2,000	3,000	3,000	10,000	1,775	1,800	2,800	2,800	9,175	(825)
Total Safety and Reliability - Wildfire	24,572	45,098	20,713	20,673	111,056	21,298	43,201	18,412	19,170	102,081	(8,975)

1. Covered Conductor

Liberty is replacing overhead lines with covered conductor in high fire risk areas to protect the community and to improve system reliability during volatile weather events. Liberty developed project-specific forecasts for various covered conductor projects that were approved in Liberty's 2025 WMP. Liberty intends to complete the covered conductor projects as discussed in its direct testimony during this GRC cycle.

Cal Advocates proposes reductions totaling $2.2 million based on recorded spending to date. Liberty disagrees with Cal Advocates' proposed reductions. Cal Advocates does not oppose the need for the individual covered conductor projects themselves, or Liberty's projected cost forecasts for each project, instead. Cal Advocates opposes the timing of the projects. However, as stated above, the Commission has approved these covered conductor projects, and the project is essential to protect the community and provide reliable service during volatile weather events.

As such, Liberty respectfully requests that the Commission approve Liberty's forecast, based on work proposed and approved as part of Liberty 2025 WMP.

2. Fuse Replacements

Liberty's Fuse Replacement Program enhances safety and reliability for its customers by replacing expulsion fuses in Liberty's territory with expulsion limiting fuses (ELF). Unlike traditional expulsion fuses, which can release high-energy sparks during fault scenarios, ELFs are designed to restrict current

flow, thereby minimizing the energy released during a trip event. This reduction in energy significantly lowers the risk of sparks or slag contacting the ground and potentially igniting a fire. By upgrading to ELFs, the program aims to improve overall system safety and reduce fire hazards and provide greater protection for the surrounding environment and communities.

Cal Advocates proposes forecasts that significantly reduce Liberty's forecasts for 2025-2027, but uses data that lacks current relevance (recorded 2024 spending) as the foundation of its recommendations, because Liberty's 2024-2027 forecasts are based on work Liberty intends to complete during this GRC cycle. Each year of the 2024-2027 forecast should not be reduced because Liberty was a little behind schedule in one year. If anything, the work that was not completed in 2024 will be completed in 2025-2027. For this reason, the Commission should reject Cal Advocate's proposal.

This work was approved in Liberty's 2025 WMP, and Liberty intends to spend the budget that was approved. This work will greatly reduce wildfire risk for Liberty's customers and should not be arbitrarily reduced.

As such, the Commission should accept Liberty's forecasts for fuse replacements in 2025-2027.

3. Resiliency Program

Liberty's Resiliency Program is a multi-year wildfire mitigation effort that began in 2023. The program combines T-Link fuse replacements, secondary and service replacement, and replacement of the associated poles, as determined by the General Order 165 detailed inspections. This combination of different work activities helps minimize labor costs of crews working at the same or nearby locations. The work is prioritized based on wildfire risk level and the circuits' respective measured reliability performance to improve system reliability. In addition to protecting the system, the program will collect data to enhance Liberty's mapping system. Since the inception of the project, Liberty has seen significant improvements to the resiliency of the system.

Cal Advocates did not oppose Liberty's forecast for its Resiliency Program. TURN recommended a 2025 forecast of $12.4 million, which appears to have been calculated by multiplying Liberty's unit cost forecast of $31,000 by 400 pole replacements. TURN's recommendation does not account for costs needed to complete planned work in 2025.

Pursuant to General Order 165 requirements, Liberty needs to complete 832 pole replacements in 2025. Liberty is on track to complete this work in 2025. Through June 2025, Liberty has completed 465 pole replacements with the remaining 367 planned for completion by the end of the year. Additionally, Liberty is entering the peak of its season, which will include higher costs associated with night work,

overtime, poles in CalTrans rights of way, and poles in more difficult and costly places to reach. Preliminary costs through June 2025 total $10.3 million for the resiliency program (note that all costs have been recorded as invoices are continuing to be processed). Liberty stands by its unit cost forecast of $31,000 and believes it accurately reflects costs for the replacement of the 832 poles in 2025.

The Commission should reject TURN's proposed reductions based on its estimate of 400 poles being completed in 2025 and approve Liberty's forecast based on completing the 832 poles as currently planned and required to meet General Order 165 standards.

4. Traditional Overhead Hardening

Liberty's traditional overhead hardening initiative includes the replacement of aged electrical infrastructure with hardware that meets current standards. It is designed to be reliable during extreme weather conditions, with both fire mitigation and overall grid reliability. In service territories that are not as heavily forested, or where there is sufficient vegetation clearance, traditional overhead hardening is a cost-effective method of building system resilience.

Cal Advocates proposes a reduction of $3.451 million for overhead hardening based on 2024 recorded costs and the assertion that Liberty did not provide verifiable documentation to support the forecast. Liberty disagrees with Cal Advocate's proposed reduction. Liberty's forecast will fund a large covered conductor project that replaces approximately 30,000 feet of bare wire with covered tree wire. In addition, an estimated 115 poles will be replaced in conjunction with the setting of approximately 40 new primary poles to accommodate the new covered tree wire. The Commission should authorize Liberty's overhead hardening forecasts for 2024-2027 as requested.

5. Tree Attachment Program

The Tree Attachment Program addresses safety and reliability issues by removing conductors currently attached to trees and relocating them to new poles equipped with modern materials that meet current specifications. The program helps mitigate the risk of ignition caused by contact with tree branches. The Tree Attachment program was approved in the prior WMP and is a proposed initiative in the 2026-2028 WMP. The capital projects covered under the Tree Attachment Program are ongoing on an as need basis and are performed in accordance with the WMP. Cal Advocates proposes a total reduction of $0.596 million to Liberty's forecast for this program based on its contention that costs are speculative and the forecast was not supported. The Commission should adopt Liberty's forecast for this program as requested.

6. Wire Upgrade Program

Liberty's wire upgrades program includes the replacement of open wire and grey wire to reduce potential vegetation contact that could lead to fire ignitions. Cal Advocates proposed a reduction to Liberty's Wire Upgrade program forecast of $0.825 million based on historic recorded costs. Liberty's forecast of $10 million for the period 2024-2027 is based on the 2025 Resiliency Program. The Open/Grey Wire Replacement project has been rolled into the 2025 Resiliency Program and consists of installing approximately five circuit miles of overhead secondary and service wire. The Open/Grey Wire Replacement project was approved in the prior WMP and is a proposed incentive in the 2026-2028 WMP, Liberty makes no adjustment to the forecast for this program. The Commission should accept Liberty's proposal for this program in full.

E. Customer Driven

Liberty's Customer Driven forecast includes costs to install new service installations for residential and commercial customers. Liberty's forecasts are shown in Table I-8, below.

Table I-8
Customer-Driven Projects
Liberty and Cal Advocates Forecast Comparisons
($000)

	Liberty - Revised					Cal Advocates					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Customer-Driven											
New Commercial	1,091	1,121	1,152	1,184	4,548	1,091	1,121	1,152	1,184	4,548	-
New Residential	5,535	5,688	5,844	6,005	23,072	5,535	5,688	5,844	6,005	23,072	-
New Meters	452	464	477	490	1,883	321	330	339	348	1,338	(545)
Rule 24 EV Chargers	500	514	528	542	2,084	466	479	492	506	1,943	(141)
Total Customer-Driven	7,578	7,787	8,001	8,221	31,587	7,413	7,618	7,827	8,043	30,901	(686)

Customer-driven projects include the ongoing capital investment to install new service for residential and commercial customers. To develop this cost, Liberty utilized a five-year average. Cal Advocates, on the other hand, relied only on 2024 recorded costs for its forecasts and escalated to 2025-2027.

Cal Advocates' reliance on 2024 recorded costs to forecast customer-driven capital costs is flawed because it captures only a single data point that may reflect short-term volatility, project timing anomalies, or economic disruptions rather than typical customer activity. For example, a slowdown in development or permitting delays in the last year could artificially deflate installation levels, leading to an unreliable forecast that fails to support necessary infrastructure and customer service needs. In contrast, utilizing an

approach that captures a five-year average takes into account year-to-year fluctuations, captures a more representative trend of customer behavior, and aligns with standard utility forecasting practices endorsed by the Commission in prior proceedings.

Accordingly, the Commission should reject Cal Advocates' last-year recorded-based forecast in favor of Liberty's five-year average forecast to provide a more stable, supportable, and prudent capital forecast.

F. Other Projects

Liberty is undertaking several other important capital projects, as shown in Table I-9, that are prudent and necessary to provide employees with the workplaces, vehicles, and computer equipment needed to perform its work in a safe and effective manner. Cal Advocates proposes extreme reductions, that are unsubstantiated and should be rejected by the Commission.

Table I-9
Other Capital Projects
Liberty and Cal Advocates Forecast Comparisons
($000)

	Liberty - Revised					Cal Advocates					Variance
	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total	2024-2027
Other Capital Projects											
Fleet	2,000	2,893	2,639	3,861	11,393	1,020	1,913	1,659	2,881	7,473	(3,920)
Buildings and Grounds	484	175	175	175	1,009	484	175	175	175	1,009	-
NLT Campus	-	3,000	3,500	-	6,500	-	6,500	-	-	6,500	-
SLT Campus	-	-	-	6,500	6,500	-	-	6,500	-	6,500	-
Portola Land Purchase	-	-	1,500	-	1,500	-	-	1,500	-	1,500	-
Information Technology	2,788	4,703	4,257	2,858	14,606	2,788	1,729	1,873	1,996	8,386	(6,220)
EV Charging Infrastructure	100	1,650	-	-	1,750	87	500	500	500	1,587	(163)
Luning Buyout	6,079	-	-	-	6,079	6,079	-	-	-	6,079	-
Turquoise Buyout	-	1,540	-	-	1,540	-	1,540	-	-	1,540	-
Total Other Capital Projects	11,451	13,961	12,071	13,394	50,877	10,458	12,357	12,207	5,552	40,574	(10,303)

1. Fleet

Liberty proposes a forecast of $11.393 million needed to replace several vehicles in the fleet that have met or are exceeding Liberty and/or California General Services' fleet replacement criteria. Liberty also intends to add vehicles to its fleet to address the growth in WMP activities. Cal Advocates proposes a reduction of $3.9 million based on the underspending in 2024 and historical trends. However, the underspend in 2024 was caused by procurement-related delays which were beyond Liberty's control. The planned fleet vehicles have been ordered and delivery is expected in 2025–2026. The proposed upgrades

will result in lower maintenance costs, increased safety and reliability, increased fuel efficiency, and progress toward "greening the fleet" renewable goals. Details on the fleet upgrade plan were provided in Liberty's workpapers. Liberty makes no adjustment to the original forecast, and requests that the Commission accept Liberty's proposal for this category.

2. NLT and SLT Campus Projects

While no party opposed Liberty's capital forecasts for its North Lake Tahoe and South Lake Tahoe campus work, Liberty has adjusted its forecast based on planned delays to the project. Liberty has shifted $3.5 million for the North Lake campus project from 2025 to 2026 and shifted the entire $6.5 million for the South Lake campus from 2026 to 2027.

3. Information Technology

Information Technology (IT) contains the costs for various hardware and software upgrades as needs change and existing applications reach end of life. The capital forecast for IT includes Liberty's allocated share of enterprise-wide projects such as cybersecurity, data protection, SAP cloud migration, endpoint security enhancements, website modernization, auto opt-in for all customers for outage communications, advanced distribution management system (ADMS) electric supervisory control and data acquisition (SCADA) system replacement, and various other hardware and software improvements to meet emerging needs.

It is unclear what Cal Advocates' IT forecast is based on, but it appears to rely on historical costs escalated to 2025-2027. Liberty has specific needs, including increased spending for cybersecurity and data protection, built into its forecasts. Liberty has been allocated over $4.7 million in IT costs to date in 2025, including over $1 million for cyber security and data protection. Cal Advocates' forecast of $1.729 million in 2025 is clearly insufficient and does not meet the needs for this important work.

As such, the Commission should adopt Liberty's forecast and reject Cal Advocates unsubstantiated proposal of significant cuts to Liberty's IT forecast.

4. EV Charging Infrastructure

Liberty forecasts $0.100 million in EV Charging Infrastructure in 2024, and $1.650 million in 2025. These forecast investments are consistent with Liberty's obligations under the Commission's directives and are necessary to support statewide Transportation Electrification (TE) objectives. These investments include Liberty's DC Fast Charger (DCFC) Project, Schools and State Parks Charging Programs, Plug-in Electric Vehicle Submetering Protocol implementation, and broader TE policy mandates.

Cal Advocates recommends a reduction of $0.163 million citing Liberty's response to Data Request PubAdv-LU-002-EVO, Question 8, and asserting that Liberty identified a revised forecast of $0.500 million annually from 2025 through 2027. However, this interpretation is inaccurate and Liberty has made no adjustment to the original forecast. The forecast of $1.650 million remains Liberty's filed and supported estimate for 2025 and reflects identified capital needs for TE infrastructure deployments required by ongoing regulatory mandates and customer demand. The proposed disallowance lacks adequate justification. Therefore the Commission should approve Liberty's forecast which is both reasonable and necessary to meet California's electrification goals.

G. Post-Test Year Adjustment Mechanism ("PTAM") and Advice Letter Treatment

Based on the adjustments above, Liberty has updated its request for capital costs eligible for PTAM. Liberty requests authority to set PTAM levels, by cost category, at levels included in the table below. In addition, as discussed above, Liberty requests authority to recover capital costs associated with the Meyers and Stateline substations via Tier 2 advice letters once the project is placed into service, capped at $24 million for each substation. If advice letter treatment is not approved, Liberty requests that the forecast costs for these two substations be added to the PTAM-eligible costs in the Safety and Reliability – Substations category.

Table I-10
Revised Forecast for PTAM-Eligible Costs
($000)

	2026	2027	Total
Safety and Reliability - Distribution	8,321	13,409	21,730
Safety and Reliability - Substation	893	916	1,809
Safety and Reliability - Wildfire	20,713	20,673	41,386
Customer-Driven	8,001	8,221	16,222
Other	12,071	13,394	25,465
	49,999	56,613	106,612

H. Conclusion

Liberty has made significant and thoughtful reductions to the capital forecast proposed in its original Application. The revised forecast represents prudent and crucial investment in Liberty's infrastructure necessary to maintain the safety and reliability of its system and protect its customers and service territory from the risk of catastrophic wildfires. Many of the projects and programs included in the

forecast have been thoroughly reviewed and approved in Liberty's 2025 WMP. As such Liberty seeks recovery of the costs to implement them in this GRC. Moreover, Liberty's revised forecast for 2024-2027 is $7.218 million less than Cal Advocates' proposal, and just $11.560 million more than TURN's proposal, with differences concentrated in a limited number of categories where Liberty has provided specific, documented justification. Notably, Liberty has accepted TURN's recommendations regarding underground rebuilds and adjusted its substation plan to focus on the most urgent projects.

In light of these revisions, the Commission should find Liberty's forecast to be reasonable, well-supported, and in the public interest. Liberty respectfully requests that the Commission approve its revised 2024–2027 capital forecast in full.