



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Liberty Utilities (CalPeco Electric) LLC (U-933-E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Dan Marsh
 Phone #: 562-299-5104
 E-mail: Dan.Marsh@libertyutilities.com
 E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 131-E

Tier Designation: 2

Subject of AL: Base Revenue Requirement Balancing Account (BRRBA)

Keywords (choose from CPUC listing): Increase Rates

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D12-11-030

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 12/3/19

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 9%

Estimated system average rate effect (%): 9%

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: All residential, commercial, streetlight, and irrigation rate schedules

Service affected and changes proposed¹: Change BRRBA rates

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Dan Marsh
Title: Manager, Rates and Regulatory Affairs
Utility Name: Liberty Utilities (CalPeco Electric) LLC
Address: 9750 Washburn Road
City: Downey State: California
Telephone (xxx) xxx-xxxx: 562-299-5104
Facsimile (xxx) xxx-xxxx:
Email: Dan.Marsh@libertyutilities.com

Name:
Title:
Utility Name:
Address:
City: State: Wyoming
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 530-544-4811

VIA EMAIL AND UPS

October 31, 2019

**Advice Letter No. 131-E
(U 933-E)**

California Public Utilities Commission
Energy Division, Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Subject: Base Revenue Requirement Balancing Account (“BRRBA”)

Liberty Utilities (CalPeco Electric) LLC (U 933 E) (“Liberty CalPeco”) hereby submits this **Tier 2** Advice Letter No. 131-E requesting the authority to recover the balance in its Base Revenue Requirement Balancing Account (“BRRBA”) in accordance with Section 8 of the Preliminary Statement in Liberty CalPeco’s tariff.¹

I. Purpose

The purpose of this filing is to request the authority to recover the balance recorded in Liberty CalPeco’s BRRBA over a 36-month period effective January 1, 2020.

II. Coordination with Other Pending Rate Change

Liberty CalPeco currently has several pending rate changes, some of which may also be approved for the January 1, 2020 effective date requested in this advice letter. In the event that multiple rate changes are approved simultaneously, Liberty CalPeco will make the necessary compliance submissions, including revised tariffs to implement the rate changes and effectuate the new rates requested in this advice letter and other proceedings as of January 1, 2020. If the other rate change approvals do not occur in time to effectuate the revised rates on January 1, 2020, Liberty CalPeco will submit revised tariff sheets based on the rate changes requested in this advice letter to become effective on January 1, 2020, upon approval of this advice letter.

III. Background

In accordance with Liberty CalPeco’s tariffs, Liberty CalPeco is authorized to maintain the BRRBA, which records the difference between Liberty CalPeco’s authorized annual base rate revenue requirement and the recorded revenue from base rates.

The disposition of the balance in the BRRBA will be addressed in a Tier 2 advice letter only if the amount in the BRRBA as of September 30 is +/-5% of the authorized Base Rate Revenue Requirement for preceding 12-month period.

¹ D.12-11-030 established Liberty CalPeco’s BRRBA tariff.

IV. Request

A. Recovery of the Balance in the BRRBA

The BRRBA balance as of September 30, 2019 was \$22.853 million, or 41% of Liberty CalPeco’s \$55.618 million authorized Base Rate Revenue Requirement for the preceding 12 months. The balance in the BRRBA has increased significantly since 2017 due to recorded sales being significantly lower than the sales forecast authorized in Liberty CalPeco’s 2016 GRC Decision (D.16-12-024), which has resulted in Liberty CalPeco not recovering its authorized base revenue requirement.

The balance recorded in the BRRBA for the commercial customer class (A-1, A-2, A-3, and PA) was \$19.163 million as of September 30, 2019. The balance recorded in the BRRBA for the residential customer class (D-1, SL, and OL) was \$3.690 million as of September 30, 2019. Liberty CalPeco proposes two BRRBA rates—one for the commercial customer class and one for the residential customer class—based on the above BRRBA balances and Liberty CalPeco’s authorized sales forecast for the commercial customer class and the residential customer class.

Liberty CalPeco requests recovery of the BRRBA as set forth in Table 1 below. Liberty CalPeco proposes the recovery of the \$22.853 million be over a 36-month period effective January 1, 2020.

Table 1
Calculation of BRRBA Rate by Customer Class Group

	Authorized Sales (kWh)	Allocated BRRBA Balance	Annual Recovery	Proposed BRRBA Rate (per kWh)
Residential (D-1)	300,453,961	\$3,677,604	\$1,225,868	0.00408
Outdoor Lights (OL)	649,980	7,956	2,652	0.00408
Street Lights (SL)	346,095	4,236	1,412	0.00408
Total Residential	301,450,036	\$3,689,797	\$1,229,932	0.00408
A-1	111,262,578	\$7,017,544	\$2,339,181	0.02102
A-2	56,067,726	3,536,299	1,178,766	0.02102
A-3	134,560,371	8,486,980	2,828,993	0.02102
PA	1,932,670	121,897	40,632	0.02102
Total Commercial	303,823,345	\$19,162,720	\$6,387,573	0.02102
Grand Total	605,273,381	22,852,516	7,617,505	

B. Rates

The proposed BRRBA rates will replace the currently authorized BRRBA rates. Table 2 provides a comparison of the current and proposed BRRBA rates by rate schedule.

Table 2
Comparison of Authorized vs Proposed BRRBA Rates
(per kWh)

	<u>Authorized</u>	<u>Proposed</u>
Residential (D-1)	0.00500	0.00408
Outdoor Lights (OL)	0.01280	0.00408
Street Lights (SL)	0.43538	0.00408
A-1	0.01989	0.02102
A-2	-0.02590	0.02102
A-3	0.01345	0.02102
PA	0.14466	0.02102

Effective Date

Liberty CalPeco requests that this **Tier 2** advice letter be effective as of December 3, 2019. Approval as of this date will enable Liberty CalPeco to submit the necessary Tier 1 advice letter containing the revised tariff sheets to be effective as of January 1, 2020 with the approved changes associated with this advice letter and other proceedings.

Protests

Anyone wishing to protest this advice letter may do so by letter sent via U.S. mail, facsimile, or email, any of which must be received no later than November 20, 2019, which is 20 days after the date of this advice letter. There are no restrictions on who may submit a protest, but the protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. Protests should be mailed to:

California Public Utilities Commission
Energy Division, Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298
Facsimile: (415) 703-2200
Email: edtariffunit@cpuc.ca.gov

Energy Division Tariff Unit
California Public Utilities Commission
October 31, 2019
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The protest should be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty Utilities (CalPeco Electric) LLC at the address shown below on the same date it is mailed or delivered to the Commission:

Liberty Utilities (CalPeco Electric) LLC
Attn: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Fax: 530-544-4811
Email: Dan.Marsh@libertyutilities.com

Notice

In accordance with General Order 96-B, Section 4.3, a copy of this advice letter is being sent electronically to parties shown on the attached service list.

If additional information is required, please do not hesitate to contact me.

Respectfully submitted,

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

/s/ Daniel W. Marsh

Daniel W. Marsh
Liberty Utilities (CalPeco Electric) LLC
Manager, Rates and Regulatory Affairs
Phone: 562-299-5104
Email: Dan.Marsh@libertyutilities.com

cc: Liberty CalPeco General Order 96-B Service List

Liberty Utilities (CalPeco Electric) LLC
Advice Letter Filing Service List
General Order 96-B, Section 4.3

VIA EMAIL

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