



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: Daniel W. Marsh

Phone #: 562-299-5104

E-mail: Dan.Marsh@libertyutilities.com

E-mail Disposition Notice to: Dan.Marsh@libertyutilities.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 110-E

Tier Designation: 2

Subject of AL: Establishment of a Fire Risk Mitigation Memorandum Account

Keywords (choose from CPUC listing): Memorandum Account

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL: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: N/A

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: N/A

Resolution required? Yes No

Requested effective date: 1/21/19

No. of tariff sheets: 1

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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:

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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: Daniel W. 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: AnnMarie Lett
Title: Coordinator, Rates and Regulatory Affairs
Utility Name: Liberty Utilities (CalPeco Electric) LLC
Address: 9750 Washburn Road
City: Downey State: California
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Facsimile (xxx) xxx-xxxx:
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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 US MAIL

December 21, 2018

**Advice Letter No. 110-E
(U 933-E)**

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

SUBJECT: Establishment of a Fire Risk Mitigation Memorandum Account

PURPOSE

Pursuant to California Public Utilities Commission's ("Commission") Rulemaking No. ("R.") 18-10-007, dated October 25, 2018, and California Senate Bill ("SB") 901, Liberty Utilities (CalPeco Electric) LLC ("Liberty CalPeco") submits this advice letter to establish the Fire Risk Mitigation Memorandum Account ("FRMMA") to track costs incurred for fire risk mitigation planning activities that are not otherwise reflected in Liberty CalPeco's revenue requirement. A copy of the proposed FRMMA is attached.

BACKGROUND

To support the state's adaptation and resilience to increasingly frequent and extreme wildfires and to better prepare the state of California in preventing and responding to wildfires, California's Governor Edmund G. Brown Jr signed SB 901 into law on September 21, 2018.

SB 901 establishes plans and protocols for Wildfire Mitigation Plans and cost recovery standards to be submitted by California electric utilities and reviewed by the CPUC.

On October 25, 2018, the Commission issued R.18-10-007 to implement the provisions of Senate Bill 901 related to electric utilities wildfire mitigation planning. Section 8386 of the California Public Utilities Code requires all California electric utilities subject to Commission oversight "to prepare and submit wildfire mitigation plans that describe the utilities' plans to prevent, combat, and respond to wildfires within their respective service territories. This proceeding focuses on this requirement and is the vehicle for the review and implementation of the electric utilities' wildfire mitigation plans." Section 8386 details the required contents for the fire mitigation plans and contains a three-month window, starting on the issuance date of R.18-10-007, for the Commission to approve the Wildfire Mitigation Plans for all electric utilities under its

jurisdiction. In compliance with the legislation, Liberty CalPeco will submit its Wildfire Mitigation Plan in February 2019.

As part of the legislation, electric utilities are authorized to establish two memorandum accounts to record costs incurred to mitigate wildfire risk. Liberty CalPeco requests authority to establish these two memorandum accounts. The first memorandum account, the FRMMA, will “track costs incurred for fire risk mitigation planning activities that are not otherwise covered in” Liberty CalPeco’s revenue requirement. The second memorandum account will be established upon acceptance of Liberty CalPeco’s Wildfire Mitigation Plan “to track costs incurred to implement the plan.” When the second memorandum account is approved and activated, Liberty CalPeco will stop recording costs to the FRMMA and, instead, will record wildfire mitigation costs not included in rates to the second memorandum account. The FRMMA would remain open to record costs of any additional wildfire mitigation activities not included in the approved Wildfire Mitigation Plan.

COMPLIANCE

Liberty CalPeco files this advice letter in compliance with amended Public Utilities Code Section 8386 (c)(20)(4)(j), which states:

Each electrical corporation shall establish a memorandum account to track costs incurred for fire risk mitigation that are not otherwise covered in the electrical corporation’s revenue requirements. The commission shall review the costs in the memorandum accounts and disallow recovery of those costs the commission deems unreasonable.

TIER DESIGNATION & EFFECTIVE DATE

This advice letter is submitted with a Tier 2 designation. Liberty CalPeco requests an effective date of January 21, 2019, which is more than 30 calendar days after the date of submittal.

PROTESTS

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than January 10, 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

Energy Division Tariff Unit
California Public Utilities Commission
December 21, 2018
Page 3

Email: edtariffunit@cpuc.ca.gov

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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sharon.yang@libertyutilities.com;
ginge@kinectenergy.com

PRELIMINARY STATEMENT
(Continued)

13. **MEMORANDUM ACCOUNTS** (Continued)

L. **Fire Risk Mitigation Memorandum Account**

In accordance with Section 38 of California Senate Bill 901, which was signed into law by California's Governor Edmund G. Brown Jr. on September 21, 2018, the Fire Risk Mitigation Memorandum Account ("FRMMA") will record costs incurred for fire risk mitigation that are not otherwise in Liberty CalPeco's currently-authorized revenue requirement.

1. PURPOSE

The purpose of the FRMMA is to track incremental costs incurred for fire risk mitigation that are not otherwise covered in Liberty CalPeco's currently-authorized revenue requirement.

2. APPLICABILITY

The FRMMA applies to all customer classes and rate schedules, except for those specifically excluded by the Commission.

3. ACCOUNTING PROCEDURES

Liberty CalPeco shall maintain the FRMMA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the FRMMA at the end of each month to record the incremental fire risk mitigation costs.
- b. Interest shall accrue to the FRMMA on a monthly basis by applying a rate equal to one-twelfth of the three-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. EFFECTIVE DATE

The FRMMA shall be effective on January 1, 2019.

5. DISPOSITION

Disposition of amounts recorded in the FRMMA shall be determined in a subsequent general rate case or other rate setting filing authorized by the Commission.

Advice Letter No. AL-110-E Issued by Gregory S. Sorensen Date Filed: _____
Name
Decision No. _____ President Effective Date: 1/1/2019
Title
Resolution No. _____