

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 4, 2017

Edward N. Jackson
Director of Revenue Requirements
Liberty Utilities (Apple Valley Ranchos Water) Corp.
PO Box 7005
Apple Valley, CA 92307

Dear Mr. Jackson,

The Commission has approved Liberty Utilities (Apple Valley Ranchos Water) Corporation's Advice Letter No. 272-W-A (Supplement to Advice Letter No. 222-W), filed on March 16, 2017 regarding establishing the School Lead Testing Memorandum Account.

Enclosed are copies of the following revised tariff sheets for the utility's files:

<u>P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
934-W	Preliminary Statement, Part DDD
935-W	Table of Contents, page 1

Please contact Bradley Leong at (415) 703-2307 if you have any questions.

Thank you,

/s/SREEJA MELUVEETIL

Sreeja Meluveetil
Water & Sewer Advisory Branch
Division of Water and Audits

Enclosures

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: Liberty Utilities
(Apple Valley Ranchos Water) Corp. Date Mailed to Service List: March 16, 2016

District: N/A

CPUC Utility #: U-346-W Protest Deadline (20th Day): April 5, 2017

Advice Letter #: 222-W-A Review Deadline (30th Day): April 15, 2017

Tier ☐ 1 ☒ 2 ☐ 3 ☐ Compliance Requested Effective Date: January 17, 2017

Authorization: SWRCB DDW Rate Impact: \$0
0%

Description: The purpose of this advice letter is to seek Commission approval to establish the School Lead Testing Memorandum Account ("SLTMA") pursuant to the State Water Resources Control Board ("SWRCB") Division of Drinking Water's ("DDW") issuance of Amendment to the Domestic Water Supply permits issued to Liberty Apple Valley on January 17, 2017.

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Edward N. Jackson

Phone: 562.923.0711, ext. 1212

Email: edward.jackson@libertyutilities.com

Utility Contact: Ellen M. Zimbalist

Phone: 562.923.0711, ext. 1208

Email: Ellen.zimbalist@libertyutilities.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

☐ APPROVED

☐ WITHDRAWN

☐ REJECTED

Signature: _____

Comments: _____

Date: _____



Advice Letter No. 222-W-A
Supplement to Advice Letter 222-W

March 16, 2017

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Liberty Utilities (Apple Valley Ranchos Water) Corp. (U 346 W) ("Liberty Apple Valley") hereby transmits the following revised tariff sheets applicable to water service in its service territory:

Calif. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	Canceling <u>Sheet No.</u>
934-W	Preliminary Statement, Part DD	ORIGINAL
935-W	Table of Contents, page 1	933-W

This supplemental filing is being made to incorporate minor changes as discussed with the Water Division. This supplemental filing will replace Advice Letter 222-W in its entirety.

Summary

The purpose of this advice letter is to seek Commission approval to establish the School Lead Testing Memorandum Account ("SLTMA") pursuant to the State Water Resources Control Board ("SWRCB") Division of Drinking Water's ("DDW") issuance of Amendment to the Domestic Water Supply permits issued to Liberty Apple Valley on January 17, 2017. The permits establish the requirements for lead monitoring and lead sample result interpretations at any kindergarten through 12th grade school within Liberty Apple Valley's water service territory. Any school seeking lead testing must submit a written request. The SLTMA will track all incremental expenses associated with conducting lead testing at any kindergarten through 12th grade school within Liberty Apple Valley's water service territory that requests this service.

Background

Recent events in the United States have shown that lead in drinking water remains an ongoing public health challenge and important concern for children's health. The SWRCB is encouraging schools that serve one or more of grades kindergarten through 12th grade to test for lead in water from taps regularly used for drinking or cooking. The school can request assistance from their public water system.

In California, the SWRCB oversees the public water systems to ensure the water they provide is tested and safe per the requirements of the State and Federal Safe Drinking Water Acts, and regulations adopted pursuant to those Acts, which includes the Lead and Copper Rule ("LCR"), a regulation adopted by the United States Environmental Protection Agency and the SWRCB to control lead and copper in drinking water.

Under the LCR, public water systems are required to test water for lead at a set number of service connections (depending on the number of customers served by the system) that are at a higher risk for lead in the tap water due to their plumbing characteristics. Water suppliers are not required to test every customer's tap.

Liberty Apple Valley will not use any lead samples collected as part of this school testing permit amendments to satisfy Federal or State Lead and Copper Rule requirements.

Liberty Apple Valley has two water systems and will adhere to the Division of Drinking Water Sampling Guidance for Collecting Drinking Water Samples for Lead Testing at K-12 schools.

Update to Preliminary Statement

Liberty Apple Valley proposes to revise its Preliminary Statement to include the School Lead Testing Memorandum Account ("SLTMA") to track the incremental expenses (not already reflected in authorized rates) for customer outreach, and other incremental operation costs, including but not limited to legal, Operations and Maintenance and Administrative and General expenses that are unforeseen, unexpected and directly associated with complying and implementing the School Lead Testing Program. In accordance with the Commission Standard Practice U-27-W, Liberty Apple Valley requests to establish this memorandum account to track the aforementioned unanticipated costs. The costs being addressed here are caused by an event of exceptional nature and are not in the existing rates.

Liberty Apple Valley customers will benefit from the establishment of this memorandum account. Before recovery is granted, the expenses tracked in the memorandum account go through a prudence review by the Office of Ratepayer Advocates and Water Division.

Tier Designation

This advice letter is submitted with a Tier 2 designation.

Effective Date

Liberty Apple Valley requests that this filing become effective on January 17, 2017.

Memorandum Account Treatment

Liberty Apple Valley is aware that a memorandum account is not a guarantee of eventual recovery of expenses. Further, it is also known that the Commission policy on memorandum account treatment has always been that the burden of proof of the reasonableness of expenses charged to the account is the responsibility of the utility requesting reimbursement of such expenses.

Notice and Service

This advice letter does not seek to increase any rate or charge. Therefore, customer notice is unnecessary. In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on March 16, 2017 to competing and adjacent utilities and other utilities or interested parties.

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Edward Jackson
Director, Rates and Regulatory Affairs
Liberty Utilities (Park Water) Corp.
9750 Washburn Rd.
P. O. Box 7002
Downey, CA 90241
Fax: (562) 861-5902
E-Mail: DLCADowneyRegulatoryAffairs@libertyutilities.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division within the 20-day protest period so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

If you have not received a reply to your protest within 10 business days, contact Edward Jackson at (562) 923-0711, ext. 1212.

Public notice of this filing is not required. Any adjacent public or privately owned utilities and other interested parties have been furnished a copy of this Advice Letter. A list of those recipients is attached.

Very truly yours,

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

/s/Edward N. Jackson
EDWARD N. JACKSON
Representative
Director, Rates and Regulatory Affairs
Liberty Utilities (Park Water) Corp.

PRELIMINARY STATEMENT

(Continued)

BB. School Lead Testing Memorandum Account

(N)

Liberty Apple Valley shall maintain a School Lead Testing Memorandum Account ("SLTMA") to track incremental expenses (not already reflected in authorized rates) associated with conducting lead tests at K-12 grade schools within Liberty Apple Valley's service territory that request this service.

The SLTMA is being established pursuant to the Amendment to the Domestic Water Supply permits issued by the State Water Resources Control Board's Division of Drinking Water ("DDW") to Liberty Apple Valley on January 17, 2017.

1. Purpose

The purpose of the SLTMA is to track the incremental expenses (not already reflected in authorized rates) for customer outreach, and other incremental operation costs, including but not limited to, legal, Operations and Maintenance and Administrative and General expenses that are unforeseen, unexpected, and directly associated with complying and implementing the School Lead Testing Program.

2. Applicability

The SLTMA does not have a rate component.

The SLTMA shall include, but will not be limited to:

- a. Incremental and necessary labor costs associated with planning and coordination with K-12 schools to develop individual sampling plans, collecting and submitting samples to laboratories, and administering program requirements including assisting the school with interpretation of laboratory results and contracted labor;
- b. Laboratory fees for all lead sampling and reporting of the results to DDW and the school, and all laboratory coordination and instruction;
- c. Incremental customer outreach costs that are necessary in coordination with the local school district, local community, and local officials, in compliance with DDW's School Lead Testing Program.

Liberty Apple Valley shall maintain the SLTMA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the SLTMA at the end of each month to record the expenses discussed above.
- b. Interest shall accrue to the SLTMA on a monthly basis by applying a rate equal to one-twelfth of the 3-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.

3. Effective Date

The SLTMA shall go into effect on January 17, 2017.

4. Disposition

Disposition of amounts recorded in the SLTMA shall be determined in a subsequent filing, as authorized by The Commission.

(N)

(To be inserted by utility)

Advice No. 222-W-A

GREGORY S. SORENSEN

Name

PRESIDENT

Title

(To be inserted by Cal. P.U.C.)

Date Filed 03-16-2017

Effective 01-17-2017

Resolution No. _____

Dec. No. _____

LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER) CORP.
21760 OTTAWA ROAD
P. O. BOX 7005
APPLE VALLEY, CALIFORNIA 92307

REVISED Cal. P.U.C. Sheet No. 935-W
Canceling REVISED Cal. P.U.C. Sheet No. 933-W

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

<u>Subject Matter of Sheet:</u>	<u>C.P.U.C. Sheet No.</u>	
Title Page	900-W	
Table of Contents	935-W, 921-W	(T)
Preliminary Statement	845-W, 533-W, 670-W, 624-W, 914-W, 923-W, 902-W, 671-W, 892-W, 718-W, 719-W, 904-W, 905-W, 906-W, 776-W, 789-W, 888-W, 907-W, 934-W	(T)
Service Area Map-Apple Valley Ranchos	653-W	
Service Area Map-Yermo	846-W	

Rate Schedules:

Schedule No. 1	Residential General Metered Service-Apple Valley	924-W, 916-W
Schedule No. 1	Residential General Metered Service-Yermo	929-W
Schedule No. 2	Gravity Irrigation Service	925-W, 910-W
Schedule No. 3	Non-Residential General Metered Service-Apple Valley	926-W, 918-W
Schedule No. 3	Non-Residential General Metered Service-Yermo	930-W
Schedule No. 4	Non-Metered Fire Service	927-W, 912-W
Schedule No. 5	Fire Flow Testing Charge	850-W
Schedule No. LC	Late Payment Charge	460-W
Schedule 14.1	Water Shortage Contingency Plan	804-W Through 810-W
Schedule UF	Surcharge to Fund PUC Reimbursement Fee	932-W
Schedule CARW	California Alternative Rates for Water	861-W, 527-W
Schedule No. CARW-SC	California Alternative Rates for Water Sur-Charge	862-W

LIST OF CONTRACTS AND DEVIATIONS:

<u>Rules:</u>		819-W
No. 1	Definitions	234-W, 235-W
No. 2	Description of Service	159-W
No. 3	Application for Service	13-W, 553-W
No. 4	Contracts	361-W
No. 5	Special Information Required on Forms	423-W thru 425-W
No. 6	Establishment and Re-establishment of Credit	362-W
No. 7	Deposits	711-W, 730-W
No. 8	Notices	760-W, 427-W
No. 9	Rendering and Payment of Bills	689-W Through 692-W
No. 10	Disputed Bills	240-W, 241-W
No. 11	Discontinuance and Restoration of Service	428-W thru 433-W, 713-W, 435-W
No. 12	Information Available to Public	366-W, 367-W
No. 13	Temporary Service	368-W, 369-W
No. 14	Continuity of Service	370-W
No. 14.1	Water Conservation and Rationing Plan	831-W through 842-W
No. 15	Main Extensions	386-W thru 392-W, 529-W, 714-W, 715-W, 564-W 396-W thru 398-W
No. 16	Service Connections, Meters, and Customer Facilities	399-W thru 405-W

(continued)

(To be inserted by utility)	Issued By:	(To be inserted by Cal. P.U.C.)
Advice No. 222-W-A	GREGORY S. SORENSEN	Date Filed 03-16-2017
Dec. No.	Name PRESIDENT	Effective 01-17-2017
	Title	Resolution No.

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

**ADVICE LETTER 222-W-A
DISTRIBUTION LIST**

Jim Hansen
Navajo Mutual Water Company
P. O. Box 392
Apple Valley, CA 92307
jhansenjr@email.com

Town of Apple Valley
Attention: Frank Robinson
14955 Dale Evans Parkway
Apple Valley, CA 92307
dcron@applevalley.org

Manuel Benitez
County of San Bernardino
Special Districts Department
Water and Sanitation Division
12402 Industrial Blvd.
Bldg. D, Ste. 6
Victorville, CA 92392

California Public Utilities Commission
Attention Ting-Pong Yuen
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102
tpy@cpuc.ca.gov

Kathleen Rollings-McDonald
Executive Officer
Local Agency Formation Commission
215 N. D Street, Suite 204
San Bernardino, CA 92415-0490
lafoo@lafco.sbcounty.gov

Patrick Scanlon
Vice President Operations
Golden State Water Company
1920 West Corporate Way
Anaheim, CA 92801
Patrick.Scanlon@gswater.com

John Garon
Regulatory Affairs Manager
Golden State Water Company
630 E. Foothill Boulevard
San Dimas, CA 91773
John.Garon@gswater.com

Perry Dahlstrom
District Manager
Mountain Desert
Golden State Water Company
13608 Hitt Road
Apple Valley, CA 92308
Perry.Dahlstrom@gswater.com

Ronald Moore
Senior Regulatory Analyst
Golden State Water Company
630 East Foothill Blvd
San Dimas, California 91773
rkmoore@gswater.com

Kendall MacVey
Best Best & Krieger LLP
PO Box 1028
Riverside, CA 92502
kendall.macvey@bbklaw.com

Jason Ackerman
Best Best & Krieger LLP
PO Box 1028
Riverside, CA 92502
jason.ackerman@bbklaw.com

Joshua Nelson
Best Best & Krieger LLP
500 Capitol Mall, Suite 1700
Sacramento, CA 95818
joshua.nelson@bbklaw.com