

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 18, 2022

Tiffany Thong
Manger, Rates and Regulatory Affairs
Liberty Utilities (Apple Valley Ranchos Water) Corp.
21760 Ottawa Road
Apple Valley, CA 92308-6533

Dear Ms. Thong,

The Water Division of the California Public Utilities Commission has approved Liberty Utilities' (Apple Valley Ranchos Water) Advice Letter No. 262, filed on March 31, 2022, regarding authorization to implement a one-time temporary surcredit to refund the net over-collected balance recorded in the 2021 WRAM and MCBA.

Enclosed are copies of the following revised tariff sheets, effective May 1, 2022, for the utility's files:

P.U.C. Sheet No.	Title of Sheet
1158-W	Schedule No. 1, Residential General Metered Service, Sheet 2
1159-W	Schedule No. 1, Residential General Metered Service, Sheet 3
1160-W	Schedule No. 3 Non-Residential General Metered Service, Sheet 2
1161-W	Schedule No. 3 Non-Residential General Metered Service, Sheet 3
1162-W	Table Of Contents, Sheet 1

Please contact Jefferson Hancock at JHO@cpuc.ca.gov or 415-703-3453, if you have any questions.

Thank you.

Enclosures

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**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 31, 2022

District: N/A

CPUC Utility #: U 346-W

Protest Deadline (20th Day): April 20, 2022

Advice Letter #: 262-W

Review Deadline (30th Day): April 30, 2022

Tier 1 2 3 Compliance

Requested Effective Date: May 1, 2022

Authorization D.12-04-048

Rate Impact: -\$668,210
-2.64%

Description: This advice letter filing requests authorization to implement a one-time temporary surcredit to refund the net over-collected balance recorded in the 2021 WRAM and MCBA.

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: Tiffany Thong

Utility Contact: AnnMarie Sanchez

Phone: 562.923.0711

Phone: 562.923.0711

Email: Tiffany.Thong@libertyutilities.com

Email: AnnMarie.Sanchez@Libertyutilities.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

[] APPROVED

[] WITHDRAWN

[] REJECTED

Signature: _____

Comments: _____

Date: _____



Liberty Utilities (Apple Valley Ranchos Water) Corp.
21760 Ottawa Road
Apple Valley, CA 92308-6533
Tel: 760-247-6484
Fax: 760-247-1654

Advice Letter No. 262-W

March 31, 2022

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.

Summary

This advice letter filing requests authorization to implement a temporary surcredit to refund the net over-collected balance recorded in the 2021 Water Revenue Adjustment Mechanism (“WRAM”) and Modified Production Cost Balancing Account (“MCBA”). The surcredit is designed to refund the combined over-overcollection recorded in the 2021 WRAM and MCBA, and the residual balance from the 2020 WRAM and MCBA.

Background and Discussion

In D.08-02-036, dated September 18, 2008, the Commission adopted the Settlement Agreement between Liberty Apple Valley (then Apple Valley Ranchos Water Company) and the Public Advocates Office (then Division of Ratepayer Advocates) dated June 20, 2008 in proceeding A.08-01-002. D.08-09-026 adopted a program for Liberty Apple Valley consisting of a conservation rate design and related mechanisms for decoupling sales and revenue (WRAM and MCBA). The WRAM and MCBA were effective January 1, 2009, the effective date of D.08-09-026. In D.12-04-048 the Commission modified D.08-09-026 by authorizing an 18-month amortization schedule for the net balance recorded in the WRAM and MCBA.

The purpose of the WRAM is to track the difference between adopted and actual commodity rate revenue excluding revenue for fire service, miscellaneous fees, and gravity irrigation water service. The purpose of the MCBA is to track the difference between adopted and actual costs for the following variable costs: purchased power, leased water rights, replenishment assessments (pump tax), and chemicals. The MCBA captures variations in production costs due to either changes in unit price or changes in consumption.

Liberty Apple Valley provides domestic water service from its wells that are located within the Mojave Ground Water Basin. The Mojave Water Agency (“MWA”), the water master of the Mojave Basin, in accordance with the terms of the adjudication of that basin, uses a “water year” that runs from October 1 to September 30. Because of the retroactive calculation methodology used by the MWA to administer the adjudication and levy replacement water (leased water rights) and replenishment assessments, actual amounts are currently unavailable for the 2020-2021 and 2021-2022 water years and therefore the leased water rights and make-up assessment balances recorded in the MCBA for calendar year 2021 are estimated. Liberty Apple Valley will true-up the estimated balance of leased water rights and the make-up assessment recorded in the MCBA for calendar year 2021 in a future advice letter filing that requests amortization of the combined balance recorded in the WRAM and MCBA for calendar year 2022.

Liberty Apple Valley filed an information-only report with Water Division for the amounts recorded in the WRAM and MCBA during calendar year 2021 on December 2, 2021, detailing the WRAM and MCBA data for nine months, ending September 30, 2021. As compared to the information-only report, this filing includes an updated twelve months of WRAM and MCBA data, ending December 31, 2021, with a total net over-collected balance of \$671,916. With interest through February 28, 2022, the net total over-collection was \$672,118.

The combined balance recorded in the WRAM and MCBA for the period January 1, 2021 through December 31, 2021 including interest through February 28, 2022, is an over-collection of \$672,118.

Liberty Apple Valley filed Advice Letter 252-W-A on October 15, 2021 seeking approval to refund the combined over-collected balance recorded in the 2020 WRAM and MCBA. The advice letter authorized a one-time surcredit, effective November 15, 2021. As described in Advice Letter 252-W-A, the leased water rights and make-up assessment balances recorded in the MCBA for calendar year 2020 were estimated. In this advice letter, Liberty Apple Valley proposes to revise the balances of the leased water rights and make-up expense to the current estimates recorded in the MCBA. There is no change for the leased water rights expense from the estimated to the current estimate. In addition, Liberty Apple Valley proposes to true-up the difference between the amount authorized and the actual amount refunded to customers. The total residual balance recorded through December 31, 2021 including interest through February 28, 2021 was \$3,908 under-collection.

The total of the above balances is a net over-collection of \$668,210 (\$672,118 - \$3,908)

Liberty Apple Valley is therefore requesting approval to refund \$668,210 or -2.64% of its authorized 2021 revenue requirement for the domestic system. Liberty Apple Valley proposes to refund the over-collection through a one-time surcredit to the service charge applicable to domestic service for Schedule No. 1, Residential General Metered Service and Schedule No. 2, Non-Residential General Metered Service.

The Commission Staff has been provided with workpapers developing the balances in the WRAM/MCBA. The calculation of the surcredit is also included in the workpapers.

Tier Designation

Pursuant to D.07-01-024, this advice letter is submitted with a Tier 1 designation.

Requested Effective Date

Pursuant to General Rule 7.3.2 of General Order 96-B, Liberty Apple Valley requests this filing become effective on May 1, 2022.

Notice and Service

In accordance with General Order 96-B, General Rules 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 31, 2022 to

competing and adjacent utilities and other utilities or interested parties having requested such notification.

In accordance with Resolution W-4664, notice is not required. Liberty Apple Valley will include notice of the rate change within the bill during the first billing period the increase is in effect.

Response or Protest

Anyone may respond to or protest this advice letter. When submitting a response or protest, please include the utility name and advice letter number in the subject line. 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 Division of Water and Audits 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:

Tiffany Thong
Manager, Rates and Regulatory Affairs
Liberty Utilities (West Region)
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Phone: (562) 923.0711
Fax: (562) 861-5902
E-Mail: AdviceLetterService@libertyutilities.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits 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 Tiffany Thong at (562) 923-0711.

Very truly yours,

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

Tiffany.Thong@libertyutilities.com

TT/as

Attachments

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
1158-W	SCHEDULE NO. 1 RESIDENTIAL GENERAL METERED SERVICE Sheet 2	1107-W
1159-W	SCHEDULE NO. 1 RESIDENTIAL GENERAL METERED SERVICE Sheet 3	1108-W
1160-W	SCHEDULE NO. 3 NON-RESIDENTIAL GENERAL METERED SERVICE Sheet 2	1109-W
1161-W	SCHEDULE NO. 3 NON-RESIDENTIAL GENERAL METERED SERVICE Sheet 3	1110-W
1162-W	TABLE OF CONTENTS Sheet 1	1157-W

SCHEDULE NO. 1

RESIDENTIAL GENERAL METERED SERVICE

16. As authorized by the California Public Utilities Commission, an amount of \$0.277 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 248-W. This surcharge will recover the under collection in the Consolidated Expense Balancing Account as of December 31, 2020.
17. As authorized by the California Public Utilities Commission, an amount of \$4.43 surcredit per customer is to be added to the Customer's bill for a period of 12 months, beginning on the effective date of Advice Letter 248-W. This surcredit will refund the over collection in the Employee and Retiree Healthcare Balancing Account and Tangible Property Regulations Consequences Memorandum as of December 31, 2017.
18. As authorized by the California Public Utilities Commission, an amount of \$4.06 surcredit per customer is to be added to the Customer's bill for a period of 12 months, beginning on the effective date of Advice Letter 248-W. This surcredit will refund the over collection in the Pension Expense Balancing Account as of December 31, 2017.
19. As authorized by the California Public Utilities Commission, an amount of \$0.078 per Ccf is (N) to be added to the quantity rate for a period of 16 months, beginning on the effective date Advice Letter 249-W. This surcharge will recover the under collection in the Interim Rates Memorandum Account as of November 19, 2020.
20. As authorized by the California Public Utilities Commission, a one-time surcredit is to be added to the Customer's bill beginning on the effective date of Advice Letter 252-W-A. This surcredit is to refund the over collection in the WRAM and MCBA as of December 31, 2020.

The table below shows the surcredits for each meter size.

Meter Size	One-Time Surcredit
5/8"	\$ 20.25
3/4"	\$ 30.38
1"	\$ 50.63
1 1/2"	\$ 101.25
2"	\$ 162.00
3"	\$ 303.75
4"	\$ 506.25
6"	\$1,012.50
8"	\$1,620.00
10"	\$2,936.25

21. As authorized by the California Public Utilities Commission, an amount of \$0.224 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 257-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2019.

(Continued)

SCHEDULE NO. 1

RESIDENTIAL GENERAL METERED SERVICE

22. As authorized by the California Public Utilities Commission, a one-time surcredit is to be added to the Customer's bill beginning on the effective date of Advice Letter 262-W. This surcredit is to refund the over collection in the WRAM and MCBA as of December 31, 2021.

(N)

The table below shows the surcredits for each meter size.

Meter Size	One-Time Surcredit
5/8"	\$ 25.66
3/4"	\$ 38.49
1"	\$ 64.15
1 1/2"	\$ 128.30
2"	\$ 205.28
3"	\$ 384.90
4"	\$ 641.50
6"	\$1,283.00
8"	\$2,052.80
10"	\$2,950.90

(N)

(Continued)

SCHEDULE NO. 3

NON-RESIDENTIAL GENERAL METERED SERVICE

16. As authorized by the California Public Utilities Commission, an amount of \$0.277 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 248-W. This surcharge will recover the under collection in the Consolidated Expense Balancing Account as of December 31, 2020.
17. As authorized by the California Public Utilities Commission, an amount of \$4.43 surcredit per customer is to be added to the Customer's bill rate for a period of 12 months, beginning on the effective date of Advice Letter 248-W. This surcredit will refund the over collection in the Employee and Retiree Healthcare Balancing Account and Tangible Property Regulations Consequences Memorandum as of December 31, 2017.
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(Continued)

SCHEDULE NO. 3

NON-RESIDENTIAL GENERAL METERED SERVICE

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(N)

The table below shows the surcredits for each meter size.

Meter Size	One-Time Surcredit
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3/4"	\$ 38.49
1"	\$ 64.15
1 1/2"	\$ 128.30
2"	\$ 205.28
3"	\$ 384.90
4"	\$ 641.50
6"	\$1,283.00
8"	\$2,052.80
10"	\$2,950.90

(N)

(Continued)

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>CPUC Sheet No.</u>
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Table of Contents		1162-W, 1097-W (T)
Preliminary Statement	845-W, 533-W, 1069-W, 624-W, 914-W, 1104-W, 902-W, 1070-W, 1071-W, 1072-W, 1073-W, 1074-W, 1075-W, 1076-W, 1077-W, 1078-W, 1079-W, 934-W, 1080-W, 994-W, 996-W, 1044-W, 1105-W, 1046-W, 1047-W, 1156-W	
Service Area Map-Apple Valley Ranchos		1131-W
Service Area Map-Yermo		846-W
<u>Rate Schedules:</u>		
Schedule No. 1	Residential General Metered Service-Apple Valley	1098-W, 1158-W, 1159-W (T)
Schedule No. 1 YE-R	Residential General Metered Service-Yermo	1100-W, 1083-W
Schedule No. 2	Gravity Irrigation Service	1099-W, 1084-W
Schedule No. 3	Non-Residential General Metered Service-Apple Valley	1101-W, 1160-W, 1161-W (T)
Schedule No. 3 YE-NR	Non-Residential General Metered Service-Yermo	1102-W, 1086-W
Schedule No. 4	Non-Metered Fire Services	1103-W, 1087-W
Schedule No. 5	Fire Flow Testing Charge	850-W
Schedule No. LC	Late Payment Charge	1028-W
Schedule 14.1	Water Shortage Contingency Plan	1133-W through 1140-W
Schedule UF	Surcharge to Fund PUC Reimbursement Fee	1031-W
Schedule CAP	Customer Assistance Program	1093-W, 1094-W
Schedule No. CAP-SC	Customer Assistance Program Sur-Charge	1095-W
		819-W

LIST OF CONTRACTS AND DEVIATION:

<u>Rules:</u>		
No. 1	Definitions	999-W, 1000-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	1022-W, 1023-W, 1001-W, 1002-W
No. 6	Establishment and Re-establishment of Credit	362-W
No. 7	Deposits	711-W, 730-W
No. 8	Notices	1003-W through 1006-W
No. 9	Rendering and Payment of Bills	689-W through 691-W, 1033-W
No. 10	Disputed Bills	1007-W, 1008-W
No. 11	Discontinuance and Restoration of Services	1029-W, 1010-W through 1019-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	1141-W through 1152-W
No. 15	Main Extensions	386-W through 392-W, 529-W, 1044-W, 1045-W, 564-W, 396-W through 398-W, 983-W, 984-W
No. 16	Service Connections, Meters, and Customer Facilities	399-W through 405-W

(Continued)

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Manuel Benitez
County of San Bernardino
Special Districts Department
Water and Sanitation Division
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Victorville, CA 92392

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tpy@cpuc.ca.gov

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