

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 6, 2023

Tiffany Thong  
Manager, 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. 270-A, (Supplement to Advice Letter No. 270), filed on March 21, 2023, regarding authorization to implement a one-time temporary surcredit to refund the net over-collected balance recorded in the 2022 WRAM and MCBA.

Enclosed are copies of the following revised tariff sheets, effective April 7, 2023, for the utility's files:

<b>P.U.C. Sheet No.</b>	<b>Title of Sheet</b>
1198-W	Schedule No. 1 Residential General Metered Service, Sheet 3
1199-W	Schedule No. 3 Non-Residential General Metered Service, Sheet 3
1200-W	Table Of Contents, Sheet 1

Please contact Jefferson Hancock at [JHO@cpuc.ca.gov](mailto:JHO@cpuc.ca.gov) or 415-703-3453, if you have any questions.

Thank you.

Enclosures





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. 270-W-A

March 21, 2023

## **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 attached revised tariff sheets applicable to water service in its service territory.

Pursuant to discussions with the Water Division, this supplemental filing is being made to revise the effective date of the advice letter from March 20, 2023 to April 7, 2023. This supplemental filing will replace Advice Letter 270-W in its entirety.

### **Summary**

This advice letter filing requests authorization to implement a temporary surcredit to refund the net over-collected balance recorded in the 2022 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 2022 WRAM and MCBA, and the residual balance from the 2020 and 2021 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.

In D.20-08-047, dated August 27, 2020, the Commission ordered Liberty Apple Valley to remove the WRAM and MCBA decoupling mechanism in its next GRC application. Therefore, Liberty Apple Valley did not request Commission authorization to continue the WRAM and MCBA in its rate case cycle 2022 (A.21-07-003 et al, D.23-02-003 dated February 2, 2023). The WRAM and MCBA is terminated as of July 1, 2022. No new activities are recorded in the WRAM and MCBA as of July 1, 2022, only true-up of balances.

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 2021-2022 water year and therefore the leased water rights and make-up assessment balances recorded in the MCBA for calendar years 2021 and 2022 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 years 2021 and 2022 in a future advice letter and/or General Rate Case filing that requests amortization of the combined balance recorded in the WRAM and MCBA for calendar years 2021 and 2022.

Liberty Apple Valley filed an information-only report with Water Division for the amounts recorded in the WRAM and MCBA during calendar year 2022 on December 2, 2021, detailing the WRAM and MCBA data for six months, ending June 30, 2022. As compared to the information-only report, this filing includes an updated estimates of the make-up and leased water rights expenses of the MCBA data, ending June 30, 2022, with a total net over-collected balance of \$257,973. With interest through January 31, 2023, the net total over-collection was \$263,511.

The combined balance recorded in the WRAM and MCBA for the period January 1, 2022 through June 30, 2022 including interest through January 31, 2023, is an over-collection of \$263,511.

In addition to the Net WRAM and MCBA balance of calendar year 2022, Liberty Apple Valley proposes to include the under-amortized amount from the active surcharge from the 2019 WRAM/MCBA (Advice Letter 257-W) during the time it has been in effect. Because the actual sales were lower than the adopted sales assumed for the surcharge calculation during the time it has been in effect, the surcharge did not recover the regulatory account balances as intended and authorized by the Commission. Therefore, pursuant to the procedure authorized in D.12-04-048 (Section 3.7 Treatment of Under-Amortized Amounts), Liberty Apple Valley requests authority to include in this filing the balance as of January 31, 2023 of \$115,905 resulting from the under-amortization of the ongoing 2019 WRAM/MCBA surcharge.

Liberty Apple Valley filed Advice Letter 262-W on March 31, 2022 seeking approval to refund the combined over-collected balance recorded in the 2021 WRAM and MCBA. The advice letter authorized a one-time surcredit, effective May 1, 2022. As described in Advice Letter 262-W, the leased water rights and make-up assessment balances recorded in the MCBA for calendar years 2020 and 2021 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 actual or current estimates recorded in the MCBA. 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 January 31, 2023 was a \$17,311 over-collection.

The total of the above balances is a net over-collection of \$164,918 ( $\$263,511 + \$17,311 - \$115,905$ ).

Liberty Apple Valley is therefore requesting approval to refund \$164,918, or -0.60%, of its

authorized 2022 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. 3, 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 April 7, 2023.

### **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 20, 2023 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 refund 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, 3<sup>rd</sup> floor  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
[water.division@cpuc.ca.gov](mailto: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 (California)  
9750 Washburn Road  
P. O. Box 7002  
Downey, CA 90241  
Phone: (562) 923.0711  
Fax: (562) 861-5902  
E-Mail: [AdviceLetterService@libertyutilities.com](mailto: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 [Tiffany.Thong@libertyutilities.com](mailto:Tiffany.Thong@libertyutilities.com).

Sincerely,

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

*/s/ Tiffany Thong*

TIFFANY THONG  
Manager, Rates and Regulatory Affairs

TT/as

Attachments

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
1198-W	SCHEDULE NO. 1 RESIDENTIAL GENERAL METERED SERVICE Sheet 3	1159-W
1199-W	SCHEDULE NO. 3 NON-RESIDENTIAL GENERAL METERED SERVICE Sheet 3	1161-W
1200-W	TABLE OF CONTENTS Sheet 1	1197-W

**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.

(D)

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

(D)

23. 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 270-W. This surcredit is to refund the over collection in the WRAM and MCBA as of June 30, 2023. The surcredit is not applicable to Yermo customers.

(N)

The table below shows the surcredits for each meter size.

Meter Size	One-Time Surcredit
5/8"	\$ 6.34
3/4"	\$ 9.51
1"	\$ 15.85
1 1/2"	\$ 31.70
2"	\$ 50.72
3"	\$ 95.10
4"	\$ 158.50
6"	\$ 317.00
8"	\$ 507.20
10"	\$ 729.10

(N)

(Continued)



**SCHEDULE NO. 3**

**NON-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.

(D)

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

(D)

23. 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 270-W. This surcredit is to refund the over collection in the WRAM and MCBA as of June 30, 2022. The surcredit is not applicable to Yermo customers.

(N)

The table below shows the surcredits for each meter size.

Meter Size	One-Time Surcredit
5/8"	\$ 6.34
3/4"	\$ 9.51
1"	\$ 15.85
1 1/2"	\$ 31.70
2"	\$ 50.72
3"	\$ 95.10
4"	\$158.50
6"	\$ 317.00
8"	\$ 507.20
10"	\$ 729.10

(N)

**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:

<b><u>Subject Matter of Sheet:</u></b>		<b><u>CPUC Sheet No.</u></b>
Title Page		900-W
Table of Contents		1200-W, 1165-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, 1166-W, 1169-W, 1172-W, 1192-W, 1193-W, 1194-W	
Service Area Map-Apple Valley Ranchos		1131-W
Service Area Map-Yermo		846-W
 <b><u>Rate Schedules:</u></b>		
Schedule No. 1	Residential General Metered Service-Apple Valley	1182-W, 1158-W, 1198-W (T)
Schedule No. 1 YE-R	Residential General Metered Service-Yermo	1183-W, 1184-W
Schedule No. 2	Gravity Irrigation Service	1185-W, 1084-W
Schedule No. 3	Non-Residential General Metered Service-Apple Valley	1186-W, 1160-W, 1199-W (T)
Schedule No. 3 YE-NR	Non-Residential General Metered Service-Yermo	1187-W, 1188-W
Schedule No. 4	Non-Metered Fire Services	1189-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 1135-W, 1172-W, 1137-W through 1139-W, 1173-W
Schedule UF	Surcharge to Fund PUC Reimbursement Fee	1180-W
Schedule CAP	Customer Assistance Program	1190-W, 1094-W
Schedule No. CAP-SC	Customer Assistance Program Sur-Charge	1191-W 819-W

**LIST OF CONTRACTS AND DEVIATION:**

<b><u>Rules:</u></b>		
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, 690-W, 1195-W, 1196-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, 1178-W, 984-W
No. 16	Service Connections, Meters, and Customer Facilities	399-W through 405-W

(Continued)

Jim Hansen  
Navajo Mutual Water Company  
P. O. Box 392  
Apple Valley, CA 92307  
[jhansenjr@email.com](mailto:jhansenjr@email.com)

Kendall MacVey  
Best Best & Krieger LLP  
PO Box 1028  
Riverside, CA 92502  
[kendall.macvey@bbklaw.com](mailto:kendall.macvey@bbklaw.com)

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

Joshua Nelson  
Best Best & Krieger LLP  
500 Capitol Mall, Suite 1700  
Sacramento, CA 95818  
[joshua.nelson@bbklaw.com](mailto:joshua.nelson@bbklaw.com)

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  
ORA Water  
505 Van Ness Avenue  
San Francisco, CA 94102  
[tpy@cpuc.ca.gov](mailto:tpy@cpuc.ca.gov)

Samuel Martinez  
Executive Officer  
Local Agency Formation Commission  
1170 West 3<sup>rd</sup> Street, Unit 150  
San Bernardino, CA 92415-0490  
[lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)

Perry Dahlstrom  
District Manager  
Mountain Desert  
Golden State Water Company  
13608 Hitt Road  
Apple Valley, CA 92308  
[Perry.Dahlstrom@gswater.com](mailto:Perry.Dahlstrom@gswater.com)

Ronald Moore  
Senior Regulatory Analyst  
Golden State Water Company  
630 East Foothill Blvd  
San Dimas, California 91773  
[rkmoore@gswater.com](mailto:rkmoore@gswater.com)