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<https://libertyutilities.com>**

**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.
NOTICE OF APPLICATION FOR A GENERAL RATE INCREASE
APPLICATION NO. 18-01-002**

On January 2, 2018, Liberty Utilities (Apple Valley Ranchos Water) Corp. (Liberty Apple Valley) filed their General Rate Case (GRC) Application A.18-01-002, with the California Public Utilities Commission (CPUC). The application requests authority to increase rates over a three-year period 2019, 2020, and 2021. If approved by the CPUC, rates would increase beginning July 1, 2019.

SUMMARY

Liberty Apple Valley’s application requests to increase revenues by \$226,069 (or 80.24%) in 2019 over current revenues, by \$63,050 (or 12.45%) in 2020, and by \$43,065 (or 7.58%) in 2021 for the Yermo service area. The total requested increase for all three years combined is \$332,184 (or 117.91 %). Liberty Apple Valley requests the phasing-in of the rate increase over six years (2019 – 2024) to level out the rate increase. Liberty Apple Valley requests that for this rate case cycle (2019 – 2021) the rate increase be phased in at 15% per year.

The following table shows the total requested increase in revenues per customer class:

<u>Customer Class</u>	Proposed Revenue Increases (Dollars in Thousands)					
	<u>2019 Increase</u>		<u>2020 Increase</u>		<u>2021 Increase</u>	
Residential	138,248	79.44%	39,273	12.63%	27,046	7.76%
Business	40,636	80.69%	11,045	12.14%	7,436	7.29%
Public Authority	47,202	82.30%	12,690	12.14%	8,546	7.29%
Total Water Revenues	226,086	80.25%	63,008	12.44%	43,029	7.58%

CUSTOMER IMPACT

If the revenue increases are approved by the CPUC and the rate increases are limited to 15% as proposed by Liberty Apple Valley, the impact on the average residential customer with a 5/8 x 3/4 inch meter using 11.55 Ccf every month will be as follows excluding any applicable surcharges:

<u>Year</u>	<u>Present</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Amount of Bill	\$54.58	\$62.76	\$72.18	\$83.00
Amount of Increase		\$8.19	\$9.41	\$10.83
Percentage Increase		15.00 %	15.00%	15.00%

REASON FOR REQUEST

Listed below are the main drivers of this revenue increase:

- recover operating costs and cost of capital,
- fixed costs of operating the water system (regardless of the amount of water sales),
- improve infrastructure,
- promote the efficient use of water, and

- allow Liberty Apple Valley to meet its goals to ensure a safe and reliable source of supply.

OBTAINING A COPY OF THE APPLICATION

A copy of Liberty Apple Valley's Application No. 18-01-002 and related exhibits are available for review at the Liberty Apple Valley Office, 21760 Ottawa Road, Apple Valley, CA 92308. If you need additional information, you may visit <https://libertyutilities.com> or call 1-760-247-6484. The application may also be reviewed at the CPUC's Central Files Office by appointment. For more information, contact aljcentralfilesid@cpuc.ca.gov or 1-415-703-2045.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties of record will present their testimony and may be subject to cross-examination before the Judge. These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses. After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a draft decision which may adopt all or part of Liberty Apple Valley's request, modify, or deny the application. Any of the five CPUC Commissioners may sponsor an alternate decision and the issue will be voted on at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers. For more information about ORA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit ORA's website at <http://ora.ca.gov/default.aspx>.

STAY INFORMED

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If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the PAO as follows:

Write: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
Email: public.advisor@cpuc.ca.gov
Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074

1-866-836-7825 (toll-free) or TTY 1-415-703-5282

Please refer to **Liberty Apple Valley's GRC Application No. 18-01-002** in any communications with the CPUC regarding this matter. These comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.

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