

**NOTIFICATION OF
LIBERTY UTILITIES (CALPECO ELECTRIC) LLC REQUEST
TO INCREASE YOUR RATES FOR THE
2015 GENERAL RATE CASE
APPLICATION FILING A.15-05-008**

THE APPLICATION FILING

On May 1, 2015, Liberty Utilities (CalPeco Electric) LLC (Liberty Utilities) filed a General Rate Case (GRC) Application 15-05-008 with the California Public Utilities Commission (CPUC) seeking authority to increase revenue by \$13.571 million beginning January 1, 2016. The current authorized level for 2015 is \$77.889 million. Liberty Utilities will use this increase to recover its costs associated with the distribution of electricity.

Every three years Liberty Utilities is required to file a GRC with the CPUC. The annual revenue requirement is the total amount of money a utility collects through rates in a given year for specific purposes. The design of the actual rates themselves (prices charged to certain customers) and the Energy Cost Adjustment Clause (ECAC) requirement (the costs of fuel and purchased power and certain other energy-related costs) will be determined in Phase II of this proceeding.

These amounts are subject to adjustment if certain fees and taxes paid by Liberty Utilities increase or decrease during the three years.

Updated information during these proceedings may be introduced which would change the proposed amount originally requested by Liberty Utilities. The final decision by the CPUC may differ than that of the proposed Application filing.

Key reasons why Liberty Utilities is requesting revenue increase:

- To continue to invest in and maintain the system of the distribution plant, poles, wires, pipes, and equipment needed to deliver electricity to Liberty Utilities' customers; and
- To maintain the support structure necessary to keep Liberty Utilities operating and to provide its customers with safe, reliable and responsive customer service.

Ln No	Customer Class	Present Revenue \$/kWh	Proposed Revenue \$/kWh	Change in \$/kWh	Percentage Change
1	Residential	\$ 0.14260	\$ 0.1673	\$0.02473	17.34%
2	A-1 Small Commercial	\$ 0.15379	\$ 0.1805	\$0.02667	17.34%
3	A-2 Commercial	\$ 0.12564	\$ 0.1474	\$0.02179	17.34%
4	A-3 Commercial	\$ 0.12180	\$ 0.1429	\$0.02112	17.34%
5	Irrigation	\$ 0.09278	\$ 0.1089	\$0.01609	17.34%
6	Street/Highway Lighting	\$ 16.05461	\$ 18.8385	\$2.78392	17.34%
7	Outdoor Lighting	\$ 10.18778	\$ 11.9544	\$1.76659	17.34%

ESTIMATED IMPACT OF THIS REQUEST

These estimates are based on the current rate design. The final rate design will be determined in Phase II of this proceeding.

FOR MORE INFORMATION

A copy of the Application and related materials may be examined at Liberty Utilities' South Lake Tahoe Office, located at 933 Eloise Avenue, South Lake Tahoe, CA 96150 between 9 am – 5 pm Mon-Fri. You may also contact Ken Wittman, Manager of Rates and Regulatory Affairs, at (530) 543-5267 between the hours of 9 am – 5 pm, Mon-Fri.

Copies of this GRC Application and this notice are also posted on the company's website at www.libertyutilities.com/west.

A copy of this Application filing may also be examined at the Central Files Office at the CPUC in San Francisco located at 505 Van Ness Avenue, San Francisco, CA 94102 between the hours of 8 am – Noon daily.

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 (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt Liberty Utilities' proposal, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

As a party of record, the Office of Ratepayer Advocates (ORA) will review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. Other parties of record will also participate in the CPUC's proceeding to consider this application. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit ORA's website at <http://ora.ca.gov/default.aspx>.

STAY INFORMED

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC processes, you may access the CPUC's Public Advisor's Office webpage at <http://www.cpuc.ca.gov/puc> and click on "Public Advisor" from the CPUC Information Menu. You may also contact the Public Advisor's Office as follows:

CPUC Public Advisor's Office, Room 2103

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

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

Please reference Liberty Utilities Application No.15-05-008 in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.