

**NOTIFICATION OF
LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
REQUEST FOR AUTHORIZATION TO ENTER INTO A MULTI-YEAR SERVICE
AGREEMENT WITH NV ENERGY APPLICATION NO. 15-04-019**

THE APPLICATION FILING

On April 24, 2015, Liberty Utilities (CalPeco Electric) LLC filed an Application (A.15-04-019) with the California Public Utilities Commission (CPUC) requesting authorization to enter into a multi-year Services Agreement with NV Energy. This agreement is referred to as the 2016 NV Energy Services Agreement. Additionally, Liberty Utilities requests to recover the energy purchase costs associated with the 2016 NV Energy Services Agreement through CPUC approved ratemaking mechanisms.

The current authorized level of recovery for the 2013 through 2015 period is \$132,799,044 or \$44,266,348 per year. The requested level of recovery for the 2016 through 2019 period is \$120,980,802 or \$40,326,934 per year. This will result in an annual decrease of 8.9%.

Liberty Utilities included this rate decrease as one component of the overall general rate increase previously requested and noticed as part of its pending General Rate Case application (A. 15-05-008).

Updated information during this proceeding may be introduced which would change the proposed level of recovery originally requested by Liberty Utilities. The final decision by the CPUC may differ from that of the proposed Application filing.

The key reasons why Liberty Utilities is requesting to enter into the 2016 NV Energy Services Agreement are as follows:

1. Lower Prices. The 2016 NV Energy Services Agreement offers Liberty Utilities reduced prices relative to its existing agreement with NV Energy.
2. Removal of Coal-Fired Power Sources. NV Energy has agreed to remove any coal-fired power sources with the energy it delivers to its California customers. All energy delivered to Liberty Utilities' customers will entirely be from hydroelectric, natural gas, and renewable geothermal sources.
3. Benefits Associated with Liberty Utilities' Solar Projects. The 2016 NV Energy Services Agreement allows Liberty Utilities to continue and maximize the benefits of its proposed Solar Projects.
4. Benefits of Continued Service by NV Energy. The 2016 NV Energy Services Agreement continues to give Liberty Utilities the benefits of cost effective and reliable energy supply from NV Energy. This will be done at the same reliable levels that NV Energy provides its own customers.

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, Monday - Friday. You may also contact Ken Wittman, Senior Manager - Finance, Accounting and Regulatory, at (530) 543-5267 between the hours of 9 am – 5 pm, Monday - Friday.

Copies of this Application and this notice are also posted on Liberty Utilities' 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 – 12 pm (noon), Monday - Friday.

ESTIMATED IMPACT OF THIS REQUEST

Line No.	Customer Class	Present Revenue Requirement	Proposed Revenue Requirement	Change in \$/kWh	Percentage Change
1	Residential	\$ 23,041,137	\$ 20,990,628	\$ (0.00718)	-8.90%
2	A-1 Commercial	\$ 8,462,121	\$ 7,709,048	\$ (0.00774)	-8.90%
3	A-2 Commercial	\$ 4,641,055	\$ 4,228,032	\$ (0.00632)	-8.90%
4	A-3 Commercial	\$ 7,934,068	\$ 7,227,988	\$ (0.00613)	-8.90%
5	Irrigation	\$ 25,821	\$ 23,523	\$ (0.00467)	-8.90%
6	Street/Highway Lighting	\$ 71,434	\$ 65,077	\$ (0.80818)	-8.90%
7	Outdoor Lighting	\$ 90,712	\$ 82,639	\$ (0.51285)	-8.90%
8	Total	\$ 44,266,348	\$ 40,326,934		

These estimates are based on Liberty Utilities' current rate design. The final rate design will be determined in Phase II of the General Rate Case proceeding (Application No. 15-05-008).

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

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If you would like to learn how you can participate in this proceeding, or if you have informal comments or questions about the CPUC process, 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. 15-04-019" 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 by the assigned Judge, the Commissioners, and appropriate CPUC staff.