



June 29, 2020

**VIA EMAIL ONLY**

**Advice Letter 147-E  
(U 933 E)**

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102-3298

**Subject: Liberty Utilities (CalPeco Electric) LLC (U-933 E) – Recovery of ECAC and GHG Revenue differential from January 1 to June 1, 2020**

**Purpose**

Liberty Utilities (CalPeco Electric) LLC (U 933-E) (“Liberty CalPeco”) submits this **Tier 2** Advice Letter to propose cost recovery of the differential between rates effective January 1 and June 1, 2020 based on California Public Utilities Commission (“Commission”) Decision (“D.”) 18-03-024.

**Background**

Ordering Paragraph 3 of D.20-05-044 states:

Liberty Utilities (CalPeco Electric) LLC shall also submit a Tier 2 Advice Letter within thirty days of the effective date of this Decision to request recovery of the revenue differential between January 1, 2020 and the effective date of this Decision. This Advice Letter shall provide a calculation to “true-up” the revenue differential, and the reasons for using this calculation.

**Discussion**

Liberty CalPeco proposes that the balance from the 2020 rate differential in the Energy Charge Adjustment Clause (“ECAC”) and Greenhouse Gas (“GHG”) revenues be included in Liberty CalPeco’s 2021 ECAC/GHG filing, for rates effective January 1, 2021.<sup>1</sup> Liberty CalPeco is also awaiting a decision in its 2019 General Rate Case (“GRC”), which includes a proposal for 2019 ECAC and GHG revenues, which may include rate differentials. A single true-up in the 2021 ECAC/GHG filing is the simplest methodology to bring all accounts up to date and eliminates the need for various surcharges to be calculated and recovered.

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<sup>1</sup> On June 25, 2020, Executive Director Stebbins approved Liberty CalPeco’s request to extend the due date for Liberty CalPeco’s 2021 ECAC Application from July 1, 2020 to August 1, 2020.

The revenue differential between the two ECAC rates is approximately \$1.758 million, which is to be recovered from Liberty CalPeco customers. Attachment A provides the calculation of the \$1.758 million revenue differential for ECAC.

The revenue differential between the GHG credits is approximately \$0.249 million, which is to be recovered from Liberty CalPeco customers. The California Climate Credit for agriculture and small business (less than 20kW demand) customer balance is a decrease of \$15,823 in credits. Attachment B provides the calculations supporting the GHG revenue differentials.

### **Effective Date**

Liberty CalPeco requests that this **Tier 2** Advice Letter be effective as of July 29, 2020.

### **Protests**

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than July 20, 2020, which is 20 days after the date of this Advice Letter. There are no restrictions on who may submit a protest, but the protest shall set forth the grounds upon which it is based and shall be submitted expeditiously.

Protests should be mailed to:

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94102-3298  
Facsimile: (415) 703-2200  
Email: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

The protest should be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty CalPeco at the address shown below on the same date it is mailed or delivered to the Commission:

Liberty Utilities (CalPeco Electric) LLC  
Attn: Advice Letter Protests  
933 Eloise Avenue  
South Lake Tahoe, CA 96150  
Email: [Dan.Marsh@libertyutilities.com](mailto:Dan.Marsh@libertyutilities.com)

Energy Division Tariff Unit  
California Public Utilities Commission  
June 29, 2020  
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**Notice**

In accordance with General Order 96-B, Section 4.3, a copy of this Advice Letter is being sent electronically to parties shown on the attached list.

If additional information is required, please do not hesitate to contact me.

Respectfully submitted,

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

/s/ Daniel W. Marsh

Daniel W. Marsh

Manager, Rates and Regulatory Affairs

Phone: 562-805-2083

Email: Dan.Marsh@libertyutilities.com

Attachments

cc: Liberty CalPeco Advice Letter Service List  
A.19-07-007 Service List

Liberty Utilities (CalPeco Electric) LLC  
Advice Letter Filing Service List  
General Order 96-B, Section 4.3

**VIA EMAIL**

gbinge@ktminc.com;  
emello@sppc.com;  
epoole@adplaw.com;  
cem@newsdata.com;  
rmccann@umich.edu;  
sheila@wma.org;  
abb@eslawfirm.com;  
cbk@eslawfirm.com;  
bhodgeusa@yahoo.com;  
chilen@nvenergy.com;  
phanschen@mofo.com;  
liddell@energyattorney.com;  
cem@newsdata.com;  
dietrichlaw2@earthlink.net;  
ericj@eslawfirm.com;  
clerk-recorder@sierracounty.ws;  
plumascoco@gmail.com;  
marshall@psln.com;  
stephenhollabaugh@tdpud.org;  
gross@portersimon.com;  
mccluretahoe@yahoo.com;  
catherine.mazzeo@swgas.com;  
Theresa.Faegre@libertyutilities.com;  
SDG&ETariffs@semprautilities.com;  
greg.campbell@libertyutilities.com;  
bcragg@goodinmacbride.com;

AdviceTariffManager@sce.com;  
edtariffunit@cpuc.ca.gov;  
jrw@cpuc.ca.gov;  
rmp@cpuc.ca.gov;  
jaime.gannon@cpuc.ca.gov;  
mas@cpuc.ca.gov;  
txb@cpuc.ca.gov;  
efr@cpuc.ca.gov;  
tlg@cpuc.ca.gov;  
dao@cpuc.ca.gov;  
ljt@cpuc.ca.gov;  
mmg@cpuc.ca.gov;  
kjl@cpuc.ca.gov;  
denise.tyrrell@cpuc.ca.gov;  
fadi.daye@cpuc.ca.gov;  
winnie.ho@cpuc.ca.gov;  
usrb@cpuc.ca.gov;  
Rob.Oglesby@energy.ca.gov;  
stevegreenwald@dwt.com;  
vidhyaprabhakaran@dwt.com;  
judypau@dwt.com;  
dwtcpucdockets@dwt.com;  
patrickferguson@dwt.com;  
travis.ritchie@sierraclub.org;  
dan.marsh@libertyutilities.com;  
sharon.yang@libertyutilities.com;  
ginge@kinectenergy.com

**Attachment A – ECAC Revenue Recovery Differential Calculation**

Liberty Utilities (CalPeco Electric) LLC  
Energy Cost Adjustment Clause Revenue Differential

	January	February	March	April	May
ECAC 2018 (D.18-03-024)	\$ (2,680,223)	\$ (2,469,652)	\$ (2,159,981)	\$ (2,094,775)	\$ (1,652,298)
Less: Franchise & Uncollectible	\$ 31,519	\$ 29,043	\$ 25,401	\$ 24,635	\$ 19,431
Net Offset Revenue	<u>\$ (2,648,704)</u>	<u>\$ (2,440,609)</u>	<u>\$ (2,134,580)</u>	<u>\$ (2,070,140)</u>	<u>\$ (1,632,867)</u>
ECAC 2020 (D.20-05-044)	\$ (2,337,185)	\$ (2,153,564)	\$ (1,883,528)	\$ (1,826,667)	\$ (1,440,822)
Less: Franchise & Uncollectible	\$ 27,485	\$ 25,326	\$ 22,150	\$ 21,482	\$ 16,944
Net Offset Revenue	<u>\$ (2,309,699)</u>	<u>\$ (2,128,238)</u>	<u>\$ (1,861,378)</u>	<u>\$ (1,805,185)</u>	<u>\$ (1,423,878)</u>
<b>Offset Difference</b>	<b>\$ 339,004</b>	<b>\$ 312,370</b>	<b>\$ 273,202</b>	<b>\$ 264,955</b>	<b>\$ 208,989</b>
ECAC 2018 (D.18-03-024)	\$ 428,484	\$ 394,820	\$ 345,313	\$ 334,889	\$ 264,151
Less: Franchise & Uncollectible	\$ 5,039	\$ 4,643	\$ 4,061	\$ 3,938	\$ 3,106
Net Balancing Revenue	<u>\$ 433,523</u>	<u>\$ 399,463</u>	<u>\$ 349,374</u>	<u>\$ 338,827</u>	<u>\$ 267,257</u>
ECAC 2020 (D.20-05-044)	\$ (335,499)	\$ (309,141)	\$ (270,377)	\$ (262,215)	\$ (206,828)
Less: Franchise & Uncollectible	\$ 3,945	\$ 3,635	\$ 3,180	\$ 3,084	\$ 2,432
Net Balancing Revenue	<u>\$ (331,554)</u>	<u>\$ (305,505)</u>	<u>\$ (267,198)</u>	<u>\$ (259,131)</u>	<u>\$ (204,395)</u>
<b>Balance Difference</b>	<b>\$ (765,076)</b>	<b>\$ (704,968)</b>	<b>\$ (616,572)</b>	<b>\$ (597,959)</b>	<b>\$ (471,653)</b>
<b>Total ECAC Adjustment</b>	<b>\$ (426,072)</b>	<b>\$ (392,598)</b>	<b>\$ (343,370)</b>	<b>\$ (333,004)</b>	<b>\$ (262,664)</b>
				<b>TOTAL</b>	<b>\$ (1,757,708)</b>

**Attachment B – GHG Revenue Recovery Differential Calculation**

**LIBERTY UTILITES (CALPECO ELECTRIC) LLC**  
**Carbon Pollution Permit Cost Revenue / California Climate Credit Differentials**  
**2020**

Line No	(a)	(b)	(c)	(d)	(e)	(f)	Line No	
		January	February	March	April	May	Total	
1	Differential							1
2								2
3	Carbon Pollution Permits Cost							3
4	Based on D. 20-05-044	\$ 400,211	\$ 371,887	\$ 327,596	\$ 325,201	\$ 246,721	\$ 1,671,617	4
5	Based on D. 18-03-024	340,525	316,425	278,739	276,702	209,926	1,422,318	5
6								6
7	Increase / (Decrease)	<u>\$ 59,686</u>	<u>\$ 55,462</u>	<u>\$ 48,857</u>	<u>\$ 48,499</u>	<u>\$ 36,795</u>	<u>\$ 249,299</u>	7
8								8
9								9
10	California Climate Credit							10
11	Climate Credit Revenues based on D. 20-05-044	\$ (18,087)	\$ (18,071)	\$ (18,071)	\$ (18,071)	\$ (11,823)	\$ (84,123)	11
12	Climate Credit Revenues based on D. 18-03-024	(21,489)	(21,470)	(21,470)	(21,470)	(14,046)	(99,945)	12
13								13
14	(Increase) / Decrease	<u>\$ 3,402</u>	<u>\$ 3,399</u>	<u>\$ 3,399</u>	<u>\$ 3,399</u>	<u>\$ 2,224</u>	<u>\$ 15,823</u>	14
15								15
16								16
17								17
18	kWh Sales							18
19	Residential	32,662,931	30,420,531	28,074,738	27,540,015	22,012,411		19
20	A-1 <=20kW	5,663,430	5,663,430	5,663,430	5,663,430	3,694,941		20
21	A-1 >20kW	3,620,882	3,620,882	3,620,882	3,620,882	2,362,339		21
22	A-2	6,113,476	5,838,500	5,608,688	4,497,244	3,776,780		22
23	PA	6,608	1,476	1,360	1,558	11,173		23
24	A-3	14,685,259	12,761,306	8,383,675	9,653,726	6,798,644		24
25	SL	25,174	25,647	25,647	25,647	25,647		25
26	OLS	49,785	49,199	49,498	49,513	49,850		26
27								27
28		<u>62,827,545</u>	<u>58,380,971</u>	<u>51,427,918</u>	<u>51,052,015</u>	<u>38,731,785</u>		28
29								29
30								30
31	Rates Effective 7/1/20 (D. 20-05-044)							31
32								32
33		<u>\$/kWh</u>						33
34	Carbon Pollution Permits Cost	0.00637						34
35	California Climate Credit	(0.00319)						35
36								36
37								37
38	Rates Effective 5/1/18 (D. 18-03-024)							38
39								39
40		<u>\$/kWh</u>						40
41	Carbon Pollution Permits Cost	0.00542						41
	California Climate Credit	(0.00379)						





# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Liberty Utilities (CalPeco Electric) LLC (U-933 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Dan Marsh

Phone #: 562-805-2083

E-mail: Dan.Marsh@libertyutilities.com

E-mail Disposition Notice to: Dan.Marsh@libertyutilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 147-E

Tier Designation: 2

Subject of AL: Liberty Utilities (CalPeco Electric) LLC (U-933 E) – Recovery of ECAC and GHG Revenue differential from January 1 to June 1, 2020

Keywords (choose from CPUC listing): Energy Charge

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-05-044

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 7/29/20

No. of tariff sheets: 0

Estimated system annual revenue effect (%): n/a

Estimated system average rate effect (%): n/a

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Dan Marsh  
Title: Manager, Rates and Regulatory Affairs  
Utility Name: Liberty Utilities (CalPeco Electric) LLC  
Address: 9750 Washburn Road  
City: Downey State: California  
Telephone (xxx) xxx-xxxx: 562-805-2083  
Facsimile (xxx) xxx-xxxx:  
Email: Dan.Marsh@libertyutilities.com

Name:  
Title:  
Utility Name:  
Address:  
City: State: California  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	