



Liberty Utilities (CalPeco Electric) LLC
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February 1, 2021

VIA EMAIL ONLY

**Advice Letter No. 158-E-A
(U 933-E)**

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

Subject: Base Revenue Requirement Balancing Account (“BRRBA”)

Liberty Utilities (CalPeco Electric) LLC (U 933 E) (“Liberty”) hereby submits this supplemental **Tier 2** Advice Letter (“AL”) requesting the authority to recover the balance in its Base Revenue Requirement Balancing Account (“BRRBA”) in accordance with Section 8 of the Preliminary Statement in Liberty’s tariff.¹ This supplemental filing will replace AL 158-E in its entirety.

I. Purpose

This supplemental filing is being made to incorporate changes as discussed with Energy Division. The purpose of this supplemental filing is to adjust the amortization period for Liberty’s request to recover the balance recorded in Liberty’s BRRBA, including the balance of the General Rate Case memorandum account (“GRCMA”). Liberty’s original request proposed recovering the BRRBA balance over a 24-month period effective January 1, 2021. Liberty’s revised amortization includes an 18-month amortization of the GRCMA portion of the BRRBA balance and a 36-month amortization of the remainder of the BRRBA balance, effective March 1, 2021.

II. Coordination with Other Pending Rate Change

Liberty currently has several pending rate changes, some of which may also be approved for the March 1, 2021 effective date requested in this advice letter. In the event that multiple rate changes are approved this year, Liberty will make the necessary compliance submissions, including revised tariffs to implement the rate changes and effectuate the new rates requested in this advice letter and other proceedings as of March 1, 2021. If the other rate change approvals do not occur in time to effectuate the revised rates on March 1, 2021, Liberty will submit revised tariff sheets based on the rate changes requested in this advice letter to become effective on March 1, 2020, upon approval of this advice letter.

¹ D.12-11-030 established Liberty’s BRRBA tariff.

III. Background

In accordance with Liberty's tariffs, Liberty is authorized to maintain the BRRBA, which records the difference between Liberty's authorized annual base rate revenue requirement and the recorded revenue from base rates.

The disposition of the balance in the BRRBA is to be addressed in a Tier 2 advice letter only if the amount in the BRRBA as of September 30 is +/-5% of the authorized base rate revenue requirement for preceding 12-month period. Liberty's BRRBA balance as of September 30, 2020 is \$28.332 million, which is approximately 46.5% of the currently authorized base rate revenue requirement of \$60.895 million.

Decision ("D.") 19-05-007 in Liberty's 2019 General Rate Case ("GRC") authorized Liberty to track the monthly differential between base rate revenue requirement in effect as of December 31, 2018, and base rate revenue requirement adopted in the GRC for the period beginning January 1, 2019 up to the approval of the time that new rates authorized in D.20-08-030 are adopted and go into effect on November 1, 2020.

In AL 155-E, Liberty provided the balance recorded in its GRCMA through October 2020. The balance, totaling \$10.853 million is included in the table below. D.20-08-030 included the following order:

The amount accrued in the GRC Memorandum Account shall be transferred to the Base Revenue Requirement Balancing Account and amortized in rates over eighteen months beginning the effective date of this decision and consistent with the tariff provisions.²

² D.18-03-020, p. 84.

Calculation of GRCMA \$(000)

	Previous Authorized	Authorized in D.20-08-030	Annual Increase	Monthly Amount
Base Revenue Requirement	\$ 55,618	\$ 60,895	\$ 5,277	\$ 440
Vegetation Management	2,523	3,060	537	45
Solar Incentive Program	371	420	49	4
	<u>\$ 58,512</u>	<u>\$ 64,375</u>	<u>\$ 5,863</u>	<u>\$ 489</u>

	Base Revenue Requirement	Vegetation Management	Solar Incentive	Total Monthly Increase	3-Month Commercial Paper Rate	Interest	Month End Balance
Jan-19	\$ 440	\$ 45	\$ 4	\$ 489	2.55%	\$ 1	\$ 490
Feb-19	440	45	4	489	2.49%	2	980
Mar-19	440	45	4	489	2.49%	3	1,472
Apr-19	440	45	4	489	2.47%	4	1,964
May-19	440	45	4	489	2.44%	5	2,458
Jun-19	440	45	4	489	2.31%	6	2,952
Jul-19	440	45	4	489	2.19%	6	3,447
Aug-19	440	45	4	489	2.07%	7	3,943
Sep-19	440	45	4	489	1.95%	7	4,438
Oct-19	440	45	4	489	1.80%	7	4,934
Nov-19	440	45	4	489	1.62%	7	5,430
Dec-19	440	45	4	489	1.70%	8	5,927
Jan-20	440	45	4	489	1.58%	8	6,424
Feb-20	440	45	4	489	1.56%	9	6,922
Mar-20	440	45	4	489	1.44%	9	7,419
Apr-20	440	45	4	489	0.98%	6	7,914
May-20	440	45	4	489	0.28%	2	8,405
Jun-20	440	45	4	489	0.18%	1	8,895
Jul-20	440	45	4	489	0.14%	1	9,384
Aug-20	440	45	4	489	0.12%	1	9,874
Sep-20	440	45	4	489	0.11%	1	10,364
Oct-20	440	45	4	489	0.11%	1	10,853
	<u>\$ 9,675</u>	<u>\$ 985</u>	<u>\$ 90</u>	<u>\$ 10,749</u>		<u>\$ 104</u>	<u>\$ 10,853</u>

IV. Request

A. Recovery of the Balance in the BRRBA

The BRRBA balance as of September 30, 2020 was \$28.332 million. When the GRCMA balance of \$10.853 million is included, the total balance is \$39.186 million. The balance in the BRRBA has increased significantly since 2017 due to recorded sales being significantly lower than the sales forecast authorized in Liberty's 2016 GRC Decision (D.16-12-024), which has resulted in

Liberty not recovering its authorized base revenue requirement. The balance has continued to grow in 2020 due to even lower energy sales due to the COVID-19 pandemic.

The balance recorded in the BRRBA for the commercial customer class (A-1, A-2, A-3, and PA) was \$25.691 million as of September 30, 2020. The balance recorded in the BRRBA for the residential customer class (D-1, SL, and OL) was \$1.583 million as of September 30, 2020.

The GRCMA balance of \$10.853 million includes \$6.443 million for the commercial customer class and \$4.411 million for the residential customer class. When the GRCMA balances are added to BRRBA, the commercial customer balance totals \$33.130 million and the residential customer balance totals \$6.055 million.

Liberty proposes to continue to use two BRRBA rates—one for the commercial customer class and one for the residential customer class—based on the above BRRBA balances and Liberty’s authorized sales forecast for the commercial customer class and the residential customer class.

Liberty requests recovery of the BRRBA as set forth in the table below. Liberty proposes that the recovery of the \$28.332 million BRRBA balance be amortized over a 36-month period and the \$10.853 million GRCMA balance to be amortized over an 18-month period, effective March 1, 2021. The 18-month amortization period for the GRCMA balance was mandated in Liberty’s 2019 GRC Decision.³

Calculation of BRRBA Rate by Customer Class Group

	Authorized 2021 Sales (kWh)	BRRBA Balance	GRCMA Balance	Annual Recovery	Proposed BRRBA Rate (per kWh)
Residential (D-1)	295,267,000	\$1,639,052	\$4,395,865	\$3,476,927	0.01178
Outdoor Lights (OL)	636,000	3,530	9,469	7,489	0.01178
Street Lights (SL)	354,000	1,965	5,270	4,169	0.01178
Total Residential	296,257,000	\$1,644,548	\$4,410,603	\$3,488,585	0.01178
A-1	101,667,000	\$9,313,211	\$2,248,358	\$4,603,309	0.04528
A-2	69,391,000	6,356,566	1,534,576	3,141,906	0.04528
A-3	119,457,000	10,942,865	2,641,782	5,408,810	0.04528
PA	819,000	75,025	18,112	37,083	0.04528
Total Commercial	291,334,000	\$26,687,668	\$6,442,828	\$13,191,108	0.04528
Grand Total	587,591,000	\$28,332,215	\$10,853,431	\$16,679,693	

³ D.20-08-030, p. 84.

B. Rates

The proposed BRRBA rates will replace the currently authorized BRRBA rates. The table below provides a comparison of the current and proposed BRRBA rates by rate schedule.

Comparison of Authorized vs Proposed BRRBA Rates
 (per kWh)

	Authorized	Original Proposal PTAM (24 month)	Revised (36- month BRRBA, 18- month)
Residential (D-1)	0.00408	0.01031	0.01178
Outdoor Lights (OL)	0.00408	0.01031	0.01178
Street Lights (SL)	0.00408	0.01031	0.01178
A-1	0.02102	0.05680	0.04528
A-2	0.02102	0.05680	0.04528
A-3	0.02102	0.05680	0.04528
PA	0.02102	0.05680	0.04528

The table below provides the bill impact by customer class.

	Current Bill	Revised Bill	Increase
Residential	\$94.24	\$98.58	4.6%
Residential - CARE	73.18	77.71	6.2%
A-3	31,668.50	36,013.05	13.7%
A-1	306.81	344.92	12.4%
A-2	4,416.30	4,969.83	12.5%
PA	451.30	538.08	19.2%
SL	20.48	21.13	3.2%
OLS	12.83	13.23	3.1%

Effective Date

Liberty requests that this **Tier 2** advice letter be effective as of March 1, 2021. Approval as of this date will enable Liberty to submit the necessary Tier 1 advice letter containing the revised tariff sheets to be effective as of March 1, 2021 with the approved changes associated with this advice letter and other proceedings.

Protests

Anyone wishing to protest this advice letter may do so by letter sent via U.S. mail, facsimile, or email, any of which must be received no later than February 21, 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

The protest should also be sent via email and U.S. Mail to Liberty Utilities (CalPeco Electric) LLC 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

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 service list. The advice letter is also being sent electronically to Liberty's 2019 GRC service 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

cc: Liberty General Order 96-B Service List
A.18-12-001 Service List

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

VIA EMAIL

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A.18-12-001 Service List

VIA EMAIL

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Energy Division Tariff Unit
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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: Daniel W Marsh
 Phone #: 530-721-2435
 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) #: 158-E-A

Tier Designation: 2

Subject of AL: Base Revenue Requirement Balancing Account ("BRRBA") - Supplemental

Keywords (choose from CPUC listing): Balancing Account

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-08-030

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

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: 3/1/20

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: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss 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

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: 530-721-2435
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	