



Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 530-544-4811

November 28, 2023

VIA EMAIL ONLY

EDTariffUnit@cpuc.ca.gov

**Advice Letter No. 228-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: Customer First Cost Recovery

Liberty Utilities (CalPeco Electric) LLC (U 933 E) (“Liberty”) hereby submits this **Tier 2** Advice Letter to increase its base rate revenues in accordance with Ordering Paragraph (“OP”) 9 of Decision (“D.”) 23-04-043.

I. Purpose

The purpose of this filing is to adjust Liberty’s base rates in accordance with OP 9 of D.23-04-043), which states that “Liberty Utilities (CalPeco Electric) LLC shall recover costs associated with the Customer First and Advanced Metering Infrastructure via a Tier 2 advice letter once the projects are considered used and useful and subject to the capital expense totals specified in the Revenue Requirement Settlement Agreement.”

Customer First was considered used and useful in October 2023. The total costs specified in the Revenue Requirement Settlement Agreement, approved in D.23-04-043, was \$23,350,880.

II. Customer First

A. Eligible Capital Expenditures

The Customer First Project is the implementation of a comprehensive enterprise-wide solution to replace and improve legacy computer systems. These include systems related to customer information, finance and accounting, network operations, procurement, and accounts payable, employee time, and payroll services. D.23-04-043 authorized a maximum capital expenditure of \$23,350,880 for the Customer First project. The project was completed and placed into service in October 2023 at a total cost exceeding the authorized maximum capital expenditure. Liberty calculated 2023 and 2024 revenue requirements for the authorized \$23,350,880.

B. 2023 and 2024 Revenue Requirement Calculations

Liberty calculated a 2023 revenue requirement of \$586,019 and a 2024 revenue requirement of \$3,602,098, which includes the depreciation expense, federal and state income taxes, and a return based on the 7.06% rate of return authorized in Liberty’s 2022 GRC Decision. The following table summarizes the revenue requirement calculation.

	<u>2023 Customer First</u>	<u>2024 Customer First</u>
	<u>Revenue Requirement</u>	<u>Revenue Requirement</u>
Base Rate Revenues	\$ 586,019	\$ 3,602,098
Operating Expenses		
O&M / A&G Expenses	-	-
Depreciation Expense	259,454	1,556,725
Federal Income Taxes	52,818	330,813
California Corporate Franchise Taxes	22,234	139,257
Total Operating Expenses	<u>334,506</u>	<u>2,026,796</u>
Return on Rate Base	251,513	1,575,302
Total	<u>586,019</u>	<u>3,602,098</u>
Weighted Average Rate Base		
Gross Plant in Service	\$ 3,592,443	\$ 23,350,880
Accumulated Depreciation	<u>(29,937)</u>	<u>(1,037,817)</u>
Net Plant in Service	<u>\$ 3,562,506</u>	<u>\$ 22,313,063</u>
Authorized Rate of Return (2022 General Rate Case)	7.06%	7.06%

III. Rates

Application of Liberty’s Customer First request results in a proposed 2024 base rate revenue (“BRR”) increase of \$3.602 million, or 3.19%, as shown in the table below. Upon approval, Liberty will submit an Advice Letter to update rates based on the approved BRR increase and any other rate changes approved between now and its submission.

Liberty also requests authority to record the 2023 BRR amount of \$586,019 to its Base Revenue Requirement Balancing Account (“BRRBA”) for future recovery through Liberty’s BRRBA surcharge.

Customer Class	Authorized Base Revenue Requirement	Percentage Increase in 2024 BRR	BRR Increase	Proposed 2024 Base Revenue Requirement
Residential	\$56,617	3.19%	\$1,805	\$58,422
A-1	19,833		632	20,465
A-2	13,395		427	13,822
PA	81		3	84
OL	372		12	383
SL	203		6	210
A-3	22,499		717	23,216
	<u>\$113,000</u>		<u>\$3,602</u>	<u>\$116,602</u>

IV. Effective Date

Liberty requests that this **Tier 2** advice letter be effective as of December 28, 2023.

V. 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 December 18, 2023, 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:

Energy Division Tariff Unit
California Public Utilities Commission
November 28, 2023
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Liberty Utilities (CalPeco Electric) LLC
Attn: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Email: Dan.Marsh@libertyutilities.com

VI. 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 2022 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
Senior Manager, Rates and Regulatory Affairs

cc: Liberty General Order 96-B Service List
A.21-05-017 Service List

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

VIA EMAIL

gbinge@ktminc.com;
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epoole@adplaw.com;
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California
Public Utilities
Commission



[CPUC Home](#)

CALIFORNIA PUBLIC UTILITIES COMMISSION Service Lists

**PROCEEDING: A2105017 - LIBERTY UTILITIES (C
FILER: LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
LIST NAME: LIST
LAST CHANGED: SEPTEMBER 26, 2023**

[Download the Comma-delimited File](#)
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Parties

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CALIF PUBLIC UTILITIES COMMISSION
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FOR: LIBERTY UTILITIES (CALPECO
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Information Only

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701 NATIONAL AVENUE
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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: Dan Marsh

Phone #: 530-721-2435

E-mail: Dan.Marsh@libertyutilities.com

E-mail Disposition Notice to: AnnMarie.Sanchez@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) #: 228-E-A

Tier Designation: 2

Subject of AL: Customer First Cost Recovery

Keywords (choose from CPUC listing): Increase Rates

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.23-04-043

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: 12/28/23

No. of tariff sheets: 0

Estimated system annual revenue effect (%): varies by rate class, see Advice Letter

Estimated system average rate effect (%): varies by rate class, see Advice Letter

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: BRRBA

Service affected and changes proposed¹: See Advice Letter

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: Senior 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: AnnMarie Sanchez
Title: Coordinator
Utility Name: Liberty Utilities (California)
Address: 9750 Washburn Road
City: Downey State: California
Telephone (xxx) xxx-xxxx: 562-805-2052
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	