

**H. MOBILE HOME PARK BALANCING ACCOUNT (MHPBA)**

- i. PURPOSE: The purpose of the Mobile Home Park Balancing Account (MHPBA) is to record and recover the actual incurred costs of implementing the voluntary Mobilehome Park Utility Conversion program to convert the electric master-meter/submeter service at mobile home parks and manufactured housing communities to direct service by Liberty Utilities, pursuant to Decision (D.) 14-03-021 and further modified in D.20-04-004. The costs associated with the accounting entries in the MHPBA shall include incremental incurred expenses for both “to the meter” and “beyond the meter” capitalized costs. Pursuant to Ordering Paragraph (OP) 8 of D.14-03-021, the incurred expenses shall be entered into the program balancing account for recovery in the first year following the cut over of service subject to reasonableness review. Actual construction costs for each MHP conversion shall be entered into a balancing account and recovered in the year immediately following service cut over for that MHP. Reasonableness review of “to the meter” cost will occur in Liberty’s Utilities’ General Rate Case (GRC) proceedings, where these costs are included into the base rates. The review of the “beyond the meter” costs will occur in the first GRC after service cut over. This account will remain open and continue to record the ongoing MHP conversion costs and associated revenue requirements related to all completed projects until those are included in a GRC revenue requirement. Pursuant to OP 1 of D. 20-04-004, Liberty Utilities is offering Mobilehome Park Utility Conversion Program until the earlier date of December 31, 2030 or the issuance of a Commission Decision for the continuation, expansion or modification of the program. (T)  
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- ii. PROCEDURE: Liberty Utilities shall maintain the MHPBA by making entries to this account at the end of each month as follows:
- (1) A debit entry equal to the recorded incremental O&M expenses, including applicable payroll taxes and benefits on Liberty Utilities’ labor; (T)
- (2) A debit entry equal to the incremental capital-related revenue requirement, excluding associated Franchise Fees and Uncollectible (FF&U) expenses, related to the “to the meter” capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment at a rate equivalent to Liberty Utilities’ current authorized return on rate base, federal and state income taxes, and property taxes associated with the costs of installed equipment; (T)  
(T)
- (3) A debit entry equal to the revenue requirement, excluding FF&U, related to the “beyond the meter” costs incurred. The revenue requirement will include amortization expense, return on investment, and federal and state income taxes, associated with the costs of installed equipment. The “beyond the meter” costs are recorded as a regulatory asset and will be amortized over ten years, with a return on investment at a rate equivalent to Liberty Utilities’ current authorized return on rate base; (T)

(Continued)

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- (4) A debit or credit entry to transfer the balance to or from any other accounts as approved by the Commission; and
- (5) An entry equal to the interest on the average balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor. (T)

iii. APPLICABILITY

The MHPBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.

iv. CHANGES IN RATES

Costs recorded in the MHPBA may be recovered in rates only after a request by Liberty Utilities, a showing of reasonableness, and approval by the Commission. Such a request may be made by formal application specifically for that purpose, by inclusion in a subsequent general rate case, or other rate setting request. (T)

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