

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

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

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person for questions and approval letters: Ken Wittman

Phone #: 530-543-5267

E-mail: Ken.Wittman@libertyutilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **54-E**

Subject of AL: Establishment of General Rate Case Memorandum Account

Tier Designation: 1 2 3

Keywords (choose from CPUC listing):

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.15-12-035

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: January 1, 2016

No. of tariff sheets: 2

Estimated system annual revenue effect: (%)

Estimated system average rate effect (%):

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: Preliminary Statement – Memorandum Accounts

Pending advice letters that revise the same tariff sheets:

All other correspondence regarding this AL shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
edtariffunit@cpuc.ca.gov

Utility Info (including e-mail)
Liberty Utilities (CalPeco Electric) LLC
Attention: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Email: ken.wittman@libertyutilities.com



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

VIA EMAIL AND HAND-DELIVERY

December 29, 2015

**Advice Letter 54-E
(U 933-E)**

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

Subject: Establishment of General Rate Case Memorandum Account

Pursuant to Decision 15-12-035, Ordering Paragraph 4 and General Order 96-B, Liberty Utilities (CalPeco Electric) LLC (U 933-E) ("Liberty Utilities") hereby submits this **Tier 1** Advice Letter to obtain the authority to supplement its tariffs to establish a General Rate Case Memorandum Account ("GRC Memorandum Account"). The GRC Memorandum Account shall become effective as of January 1, 2016, to track the differences between the general rates effective as of December 31, 2015, and the final rates to be authorized by the California Public Utilities Commission in Application (A.) 15-05-008. The revised tariff sheets are enclosed as Exhibit 1.

Background

Ordering Paragraph 3 of Decision 15-12-035, issued December 28, 2015, ("Decision") authorizes Liberty Utilities "to establish a memorandum account effective January 1, 2016 to track the difference in rates in effect on January 1, 2016 and the rates it proposes to be adopted in [A. 15-05-008] for Test Year 2016."

Tariff Modifications

Liberty Utilities submits the following tariff modifications (attached as Exhibit 1) to establish the GRC Memorandum Account.

Effective Date

Liberty Utilities requests that this **Tier 1** Advice Letter be effective as of January 1, 2016.

Protests

Anyone wishing to protest this submission may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than January 18, 2016, which is 20 days after the date of this filing. The protest shall set forth the grounds upon which it is based and shall be

Energy Division Tariff Unit
California Public Utilities Commission
December 29, 2015
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submitted expeditiously. There is no restriction on who may file a protest. 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 also should be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty Utilities at the addresses show 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
Fax: 530-544-4811
Email: ken.wittman@libertyutilities.com

With a copy to:
Steven F. Greenwald
Vidhya Prabhakaran
Davis Wright Tremaine LLP
505 Montgomery Street, Suite 800
San Francisco, CA 94111
Fax: 415-276-6599
Email: stevegreenwald@dwt.com
Email: vidhyaprabhakaran@dwt.com

Notice

In accordance with General Order 96-B, Section 4.3, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached lists.

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

Sincerely,



Ken Wittman
Senior Manager of Finance, Accounting and Regulatory - California
Liberty Utilities (CalPeco Electric) LLC

Attachments

cc: Liberty Utilities General Order 96 –B Advice Letter Service List
A.15-05-008 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
cem@newsdata.com
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phanschen@mofo.com
liddell@energyattorney.com
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dietrichlaw2@earthlink.net
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glw@eslawfirm.com
clerk-recorder@sierracounty.ws
plumascoco@gmail.com
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rmp@cpuc.ca.gov
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jm3@cpuc.ca.gov
Jeannie.chang@cpuc.ca.gov
txb@cpuc.ca.gov
efr@cpuc.ca.gov
joc@cpuc.ca.gov
tlg@cpuc.ca.gov
dao@cpuc.ca.gov
ljt@cpuc.ca.gov
dlf@cpuc.ca.gov
mmg@cpuc.ca.gov
md2@cpuc.ca.gov
kjl@cpuc.ca.gov
denise.tyrrell@cpuc.ca.gov
fadi.daye@cpuc.ca.gov
winnie.ho@cpuc.ca.gov
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Liberty Utilities (CalPeco Electric) LLC
A.15-05-008 Service List

VIA EMAIL

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kk3@cpuc.ca.gov
rmp@cpuc.ca.gov
jrg@cpuc.ca.gov
txb@cpuc.ca.gov

EXHIBIT 1

PRELIMINARY STATEMENT
(Continued)

13. MEMORANDUM ACCOUNTS (Continued)

H. General Rate Case Memorandum Account (GRCMA)

i. PURPOSE

Pursuant to Commission Decision 15-12-035 issued December 28, 2015, the purpose of the GRCMA is to record the shortfall or overcollection resulting from the difference between the general rates effective as of December 31, 2015 and the final general rates the Commission shall authorize in a decision it will issue in Application (A.) 15-05-008. As such, the GRCMA is effective January 1, 2016.

ii. APPLICABILITY

The GRCMA shall apply to all customers unless otherwise specified by the Commission.

iii. RATES

The GRCMA does not have a rate component.

iv. ACCOUNTING PROCEDURES

The GRCMA will track the revenue requirement related to the generation and distribution rate components. Liberty Utilities shall maintain the GRCMA by making entries at the end of each month as follows:

1. A debit entry in a deferred debit account equal to the difference between Liberty Utilities' current and to-be approved monthly non-fuel generation and distribution base margin revenue requirement adopted in A. 15-05-008 for the period between January 1, 2016 and the date the rates the Commission authorizes in A. 15-05-008 become effective. The entries will be recorded upon the Commission issuing a decision in A. 15-05-008 approving the change in rates and the new rates becoming effective.

(Continued)

Advice Letter No. 54-E

Decision No. 15-12-035

Issued by

Gregory S. Sorensen
Name

President
Title

Date Filed December 29, 2015

Effective January 1, 2016

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

13. MEMORANDUM ACCOUNTS (Continued)

H. General Rate Case Memorandum Account (GRCMA) (Continued)

iv. ACCOUNTING PROCEDURES (Continued)

2. A credit entry in associated FERC revenue accounts equal to the difference between Liberty Utilities' current and to-be approved new non-fuel generation and distribution base margin revenue requirement for each month beginning January 1, 2016 until the effective date of rates adopted in a decision for A. 15-05-008. The entries will be recorded upon the Commission issuing a decision in A. 15-05-008 approving the change in rates and the rates becoming effective.
3. An entry equal to the amortization of the GRCMA balance as authorized by the Commission.
4. An entry equal to interest on the average balance in the account at the beginning of each month starting January 2016 and the balance after entry iv.1. through iv.3. above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper – Non-Financial for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor publication.

v. DISPOSITION

The disposition of the GRCMA balance will be incorporated in Liberty Utilities' filing following the Commission's issuance of a decision in A. 15-05-008.