



Liberty CalPeco 2025 General Rate Case

Frequently Asked Questions



Q: What is a General Rate Case (GRC)?

A: In a General Rate Case (GRC), Liberty, like other regulated utilities, submits its forecast costs and requests approval from the California Public Utilities Commission (CPUC) to adjust rates charged to customers. The CPUC thoroughly reviews Liberty's proposal and issues a decision for a fair and necessary rate to maintain safe, reliable electric service to the ratepayers.

Q: How often does Liberty have to submit a GRC?

A: Liberty is required to submit a GRC every three years. GRCs are necessary to reflect the current costs of operating and maintaining the electric grid, complying with state regulations, and investing in the necessary infrastructure to maintain safe, reliable electric service to the ratepayers.

Q: How much is the proposed increase?

A: Liberty is requesting an overall revenue increase of 19.1% for 2025. This increase is driven by wildfire mitigation, insurance costs, and necessary grid improvements. The CPUC makes the final decision on how much rates will increase, and this is done after a thorough review process, where the CPUC performs a detailed analysis of Liberty's financials, costs, and proposed projects. The CPUC carefully examines Liberty's proposal and considers input from various groups, including customers and consumer advocates. The CPUC also holds public hearings. Only after this in-depth review will the CPUC decide to approve, modify, or reject the proposed rate increase.

Q: How will this affect my electricity bill?

A: The bill impact will depend on the Commission's final decision, your usage, and rate class.

Q: Why is Liberty proposing higher fixed rates for non-CARE residential customers?

A: The proposal for higher fixed rates for non-CARE residential customers allows Liberty to reduce the per-kilowatt-hour rate (volumetric rate), making billing more predictable and more equitable for customers. Customers will contribute fairly to the grid's operation and maintenance so fixed costs of maintaining the electric grid are adequately covered.

Q: Why are wildfire mitigation costs a big part of the increase?

A: The safety of the public is of utmost important to Liberty. Most of Liberty's service area is in high-fire-risk zones, so Liberty must invest heavily to construct, maintain, and operate its electric system in a manner that minimizes the risk of wildfire posed by its electric power lines and equipment. These mitigation investments include installing safer equipment, vegetation management near power lines, and improving system resilience.

Q: What is wildfire insurance, and why are those costs going up?

A: Wildfire insurance helps protect Liberty financially if a fire occurs in its service territory. As wildfires in California have increased in frequency and severity, insurance premiums have risen significantly. This is a major driver for the requested rate increase.

Q: What are public purpose programs, and how do they benefit me?

A: Public purpose programs help customers save energy and reduce their bills. These programs include rebates for energy-efficient appliances and free home and business energy audits. They also promote clean energy initiatives, such as electric vehicle charging infrastructure.

Q: What is Liberty doing to make the power system more reliable?

A: Liberty is investing in modernizing the grid, replacing old poles, upgrading substations, and adding technology to help prevent outages and reduce the risk of equipment failures. Liberty is also strengthening the system against extreme weather and wildfire conditions.

Q: What is the cost of capital, and why is it important?

A: The cost of capital is the money Liberty needs to borrow for large projects, such as upgrading power lines and substations. The CPUC allows Liberty to recover these costs through customer rates. Having adequate revenue enables Liberty to make necessary improvements and maintain reliable service.

Q: What happens next with the GRC filing?

A: The CPUC and other parties review the filing. This includes a thorough examination of Liberty's financials, public hearings where customers can share their views, and independent review by consumer advocacy groups. The CPUC will then decide how much the rate increase will be. This process takes several months.

Q: How long will the new rates last?

A: The new rates will be in place for three years. After that, Liberty will submit another GRC to adjust for future costs and improvements.

Q: Can I participate in the rate case process?

A: Yes. The CPUC holds public hearings where customers can express their opinions. You can also submit comments directly to the CPUC online. Liberty will provide information on these opportunities as they arise.

Q: What is Liberty doing to promote sustainability?

A: Liberty is investing in renewable energy and promoting sustainability programs like electric vehicle charging stations. Liberty also encourages energy conservation through rebates and efficiency programs that help customers lower their energy use and bills.

Q: What if I can't afford the rate increase?

A: Liberty understands that rate increases can be challenging. The company offers assistance programs for low-income customers, including the CARE program, as well as flexible payment plans. Customers are encouraged to reach out to discuss the options available to help manage their bills.

