

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:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **44-E**

Subject of AL: 2015 Greenhouse Gas Cost Recovery and Revenue Allocation

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: Decision 14-12-047, General Order 96-B

Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____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: April 1, 2015

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 20 – Greenhouse Gas Revenue Balancing Account, Sheet Nos. 54A and 54B

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets: n/a

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and 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

¹ Discuss in AL if more space is needed.



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

March 27, 2014

**Advice Letter 44-E
(U 933-E)**

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

Subject: 2015 Greenhouse Gas Cost Recovery and Revenue Allocation

Pursuant to Decision 14-12-047, Ordering Paragraph 1 and General Order 96-B, Liberty Utilities (CalPeco Electric) LLC (U 933-E) ("Liberty Utilities") hereby submits this **Tier 1** advice letter to make tariff changes necessary to update greenhouse gas ("GHG") costs and revenues in rates effective on April 1, 2015.

Background

In Decision 14-12-047, the Commission ordered Liberty Utilities to modify its tariffs to issue a semi-annual residential California Climate Credit and to include in rates the forecasted greenhouse gas (GHG) costs and allowance revenues consistent with the amounts set forth in Table 1 of this decision.

As part of the Advice Letter, the Commission ordered Liberty Utilities to provide revised tariff sheets and supporting documentation for:

- a. Residential rate schedules (including master-metered rate schedules) to include the authorized 2015 Climate Credit Amount;
- b. Small business rate schedules to include the volumetric dollars per kilowatt hour line-item credit to offset the authorized portion of GHG costs in rates; and
- c. Remaining rate schedules to include increases in all customer groups' generation dollars per kilowatt hour rates to collect authorized GHG costs.

If the rate changes authorized by the Commission's decision were not made effective on January 1, 2015, then the Commission ordered that Liberty Utilities (CalPeco Electric) LLC calculate the volumetric greenhouse gas costs and volumetric allowance revenue amounts to be included in customer rates so that the amounts set forth by Liberty Utilities in Confidential Exhibit Liberty-02 provided as part of the record in Application 14-08-001 are amortized over the remaining months of 2015.

Accordingly, Liberty Utilities files this Tier 1 Advice Letter with the tariff sheet modifications necessary to modify GHG costs and revenues as the Commission has directed.

Tariff Modifications

Liberty Utilities submits the following tariff modifications (attached as Exhibit A) necessary to modify GHG costs and revenues as the Commission has directed:

- The semi-annual residential climate credit will be \$35.01.
- The small business climate credit amount will be \$0.01348.
- The monthly carbon pollution charge applicable to all rate classes will be \$0.00269.

As noted in ordering paragraph 2 of D.14-12-047, Liberty Utilities has amortized the amounts set forth in Exhibit Liberty-02 over the remaining nine months of 2015. Exhibit B to this Advice Letter outlines the amortization calculations.

Effective Date

Liberty Utilities requests that this **Tier 1** advice letter be effective as of April 1, 2015.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than April 16, 2015, 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 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

Energy Division Tariff Unit
California Public Utilities Commission
March 27, 2015
Page 3

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 list.

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

Sincerely,



Ken Wittman
Manager of Rates and Regulatory Affairs
Liberty Utilities (CalPeco Electric) LLC

Attachments

cc: Liberty Utilities General Order 96 –B Advice Letter Service List
A.14-08-001 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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joc@cpuc.ca.gov
tlg@cpuc.ca.gov
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Rob.Oglesby@energy.ca.gov
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jeffreygray@dwt.com
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CALIFORNIA PUBLIC UTILITIES COMMISSION

Service Lists

PROCEEDING: A1408001 - LIBERTY UTILITIES (C
FILER: LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
LIST NAME: LIST
LAST CHANGED: FEBRUARY 2, 2015

Parties

PATRICK FERGUSON
DAVIS WRIGHT TREMAINE, LLP
EMAIL ONLY
EMAIL ONLY, CA 00000
FOR: LIBERTY UTILITIES (FORMERLY
CALPECO)

JAMES RALPH
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
AREA
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214
FOR: ORA

Information Only

CASE COORDINATION
PACIFIC GAS AND ELECTRIC COMPANY
EMAIL ONLY
EMAIL ONLY, CA 00000

EMILY SANGI
DAVIS WRIGHT TREMAINE
EMAIL ONLY
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KATHLEEN FRASER
PACIFIC GAS AND ELECTRIC COMPANY
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ATTORNEY
DAVIS WRIGHT TREMAINE LLP
505 MONTGOMERY STREET, SUITE 800
SAN FRANCISCO, CA 94111-6533
FOR: LIBERTY UTILITIES (FORMERLY
CALPECO)

KEN WITTMAN
MANAGER, RATES & REGULATORY AFFAIRS
LIBERTY UTILITIES
933 ELOISE AVENUE
SOUTH LAKE TAHOE, CA 96150

State Service

AMY KOCHANOWSKY
CPUC - ENERGY
EMERGING PROCUREMENT STRATEGIES
GENERATION, AN
EMAIL ONLY
EMAIL ONLY, CA 00000

JASON HOUCK
CALIF PUBLIC UTILITIES COMMISSION
DEMAND RESPONSE, CUSTOMER

AREA 4-A
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

JEANNE MCKINNEY
CALIF PUBLIC UTILITIES COMMISSION
DIVISION OF ADMINISTRATIVE LAW JUDGES
ROOM 5011
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

EXHIBIT A

Proposed Tariff Modifications

20. GREENHOUSE GAS REVENUE BALANCING ACCOUNT (GHGRBA)

(continued)

iv. CHANGES IN RATES

(1) Continued

The cost and revenue balances accumulated in the GHG cost sub-account and the GHG Revenue Balancing Account will be amortized so that all deferred costs are recovered and all deferred revenues are distributed within 24 months.

(2) Carbon Pollution Permit Cost

Beginning on April 1, 2015 Liberty Utilities will include on all customer bills a charge to reimburse Liberty Utilities for costs incurred and estimated to incur to remain compliance with Decision 13-12-041. This cost is applicable to all customer classes. It is based on monthly kilowatt usage and will be at a rate of \$0.00269 per kilowatt hour.

(T)
(R)

This cost will be updated minimally on an annual basis.

(3) California (CA) Climate Credit

Beginning on April 1, 2015 Liberty Utilities will issue a California Climate Credit in compliance with Decision 13-12-041. There are three customer sub-classes that are eligible for the credit.

(T)

a. Emission-Intense and Trade-Exposed (EITE) Customers

Customers in this sub-class meet the California Air Resource Board's leakage risk Industry Assistance definition as adopted in ARB's Cap-and-Trade program. The credit amount will be calculated pursuant to Decision 12-12-033.

b. Small Businesses

Small business is defined as non-residential entities on a General Service or Agricultural tariffs whose electric demand does not exceed 20 kilowatts in more than three months of the proceeding twelve month period. Eligibility will be determined during Liberty Utilities' annual rate migration process and remain in effect until the next migration process.

The credit is \$0.01348 per kilowatt hour. The credit will be calculated as the (Carbon Pollution Permit Cost x monthly usage x the Industry Assistance factor). The Industry Assistance factor are located in Appendix 2, Table 1 of Decision 13-12-041.

(N)

(continued)

Advice Letter No. 44-E

Issued by
Michael R. Smart

Date Filed March 27, 2015

Decision No. 14-12-047

Name
President
Title

Effective April 1, 2015

Resolution No. _____

20. GREENHOUSE GAS REVENUE BALANCING ACCOUNT (GHGRBA)

(continued)

iv. CHANGES IN RATES

(3) California (CA) Climate Credit (continued)

c. Residential Customers

Customers with an active D-1 tariff account with a customer charge in the month preceding the credit being processed will received an on-bill semi-annual credit of \$35.01.

The amount of the credit will be determined annual pursuant to Decision 12-12-033.

(R)

Advice Letter No. 44-E

Decision No. 14-12-047

Issued by

Michael R. Smart

Name

President

Title

Date Filed March 27, 2015

Effective April 1, 2015

Resolution No. _____

20. GREENHOUSE GAS REVENUE BALANCING ACCOUNT (GHGRBA)

(continued)

iv. CHANGES IN RATES

(1) Continued

The cost and revenue balances accumulated in the GHG cost sub-account and the GHG Revenue Balancing Account will be amortized so that all deferred costs are recovered and all deferred revenues are distributed within 24 months.

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Beginning on April 1, 2014-2015 Liberty Utilities will include on all customer bills a charge to reimburse Liberty Utilities for costs incurred and estimated to incur to remain compliance with Decision 13-12-041. This cost is applicable to all customer classes. It is based on monthly kilowatt usage and will be at a rate of \$0.~~00770~~ .00269 per kilowatt hour.

(T)

(R)

This cost will be updated minimally on an annual basis.

(3) California (CA) Climate Credit

Beginning on April 1, 2014-2015 Liberty Utilities will issue a California Climate Credit in compliance with Decision 13-12-041. There are three customer sub-classes that are eligible for the credit.

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The credit is \$0.01348 per kilowatt willhour. The credit will be calculated as the (Carbon Pollution Permit Cost x monthly usage x the Industry Assistance factor).

(N)

Issued by

Advice Letter No. 33-E44-E
2015

Michael R. Smart

Date Filed February 28, 2014 March 27,

Name

President

Effective April 1, 2014

Decision No. 13-12-041 14-12-047
2015

Title

Resolution No. _____

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

SOUTH LAKE TAHOE, CALIFORNIA

~~Original~~ 1st Revised

CPUC Sheet No. 54A

Canceling

Original

CPUC Sheet No. _____

The Industry Assistance factor are located in Appendix 2, Table 1 of Decision 13-12-041.

(continued)

Issued by

Advice Letter No. 33-E44-E
2015

Michael R. Smart

Date Filed February 28, 2014 March 27,

Decision No. 13-12-041 14-12-047
2015

Name President

Effective April 1, 2014

Title

Resolution No. _____

20. GREENHOUSE GAS REVENUE BALANCING ACCOUNT (GHGRBA)

(continued)

iv. CHANGES IN RATES

(3) California (CA) Climate Credit (continued)

c. Residential Customers

Customers with an active D-1 tariff account with a customer charge in the month preceding the credit being processed will received an on-bill semi-annual credit of \$41.6435.01.

The amount of the credit will be determined annual pursuant to Decision 12-12-033.

(R)

Advice Letter No. ~~33-E44-E~~
2015

Issued by

Michael R. Smart

Date Filed ~~February 28, 2014~~ March 27,

Decision No. ~~13-12-041~~ ~~14-12-047~~

Name

President

Effective April 1, 2015

Title

Resolution No. _____

EXHIBIT B

Amortization Calculations

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
2015 VOLUMETRIC CLIMATE CREDIT FOR SMALL COMMERCIAL BUSINESSES

Ln	(a)	(b)	(c)	(d)	Ln
No					No
1	Volumetric Small Business amount approved in decision	\$ 910,628.00			1
2	Volumetric Credit at (\$0.0077) for Q1 2015	<u>\$ 143,109.00</u>			2
3	Remaining balance (b1-b2)		\$ 767,519.00		3
4					4
5	Remaing Kwh for 2015, Q2 through Q4	57,039,439			5
6	New Tariff Rate for Q2, Q3 & Q4, 2015	<u>\$ 0.013480</u>			6
7	Total Volumetric Credit for Q2 through Q4 (b5*b6)		\$ 768,891.64		7
8					8
9					9
10	Combined Q1 through Q4 Volumetric credit (b2+c7)			<u><u>\$ 912,000.64</u></u>	10

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
2015 CALIFORNIA CLIMATE CREDIT FOR RESIDENTIAL CUSTOMERS

Ln	(a)	(b)	(c)	(d)	Ln
No					No
1	Residential Carbon Credit approved in decision	\$ 2,921,444			1
2					2
3	Customers		41,723		3
4	April 2015 Carbon Credit		<u>\$ 35.01</u>		4
5	April Carbon Credit (c3*c4)		<u>\$ 1,460,722</u>		5
6					6
7	Customers		41,723		7
8	October 2015 Carbon Credit		<u>\$ 35.01</u>		8
9	April Carbon Credit (c7*c8)		<u>\$ 1,460,722</u>		9
10					10
11					11
12	Annual 2015 Residential Carbon Credit (c5+c9)			<u><u>\$ 2,921,444</u></u>	12

**LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
2015 CARBON COST RECOVERY OVERVIEW**

Ln	(a)	(b)	(c)	(d)	Ln
No					No
1	Carbon Costs for Recovery approved in decision	\$ 2,414,085.32			1
2	Carbon Costs Recovery at (\$0.0077) for Q1 2015	<u>\$ 1,298,265.00</u>			2
3	Remaining balance (b1-b2)		\$ 1,115,820.32		3
4					4
5	Remaing Kwh for 2015, Q2 through Q4	414,472,816			5
6	New Tariff Rate for Q2, Q3 & Q4, 2015	<u>\$ 0.002690</u>			6
7	Total Carbon Revenue for Q2 through Q4 (b5*b6)		\$ 1,114,931.88		7
8					8
9					9
10	Combined Q1 through Q4 Carbon Revenue (b2+c7)			<u><u>\$ 2,413,196.88</u></u>	10