

PARA UNA VERSIÓN DE ESTE AVISO EN ESPAÑOL, POR FAVOR LLAME AL NÚMERO 1-800-727-5987,
O VISITE <https://libertyutilities.com>

**LIBERTY UTILITIES (PARK WATER) CORP. NOTIFICATION OF APPLICATION FOR
A COST OF CAPITAL RATE DECREASE APPLICATION NO. 18-05-006**

On May 1, 2018, Liberty Utilities (Park Water) Corp. (Liberty Park Water) filed Application No. 18-05-006 with the California Public Utilities Commission (CPUC) requesting the authority to decrease its authorized cost of capital and rate of return for the period from January 1, 2019 through December 31, 2021. Liberty Park Water's application requests a decrease to the authorized rate of return from 9.07% to 8.11%. Liberty Park Water is requesting this decrease due to the decreases in the cost of capital that Liberty Park Water uses to fund facility improvements needed to provide service to customers. If the CPUC approves this request, Liberty Park Water's revenues would decrease by \$1,510,000 or 3.98% in 2019.

SUMMARY

Liberty Park Water is required to file a Cost of Capital Application every three years. The authorized cost of capital determines the amount of money Liberty Park Water is allowed to recuperate in rates as a return on the money it has invested in utility infrastructure used in providing water service. Liberty Park Water's proposed cost of capital request for years 2019 – 2021 is summarized in the following table:

| Cost Factor | Capital Structure (Weight) | Cost | Weighted Cost |
|--------------------|---------------------------------------|-------------|--------------------------|
| Long-Term Debt | 43.00% | 4.71% | 2.03% |
| Common Equity | 57.00% | 10.68% | <u>6.09%</u> |
| | | | 8.11% |

CUSTOMER IMPACT

The table below shows the proposed rate impacts in 2019 on the average residential customer's bi-monthly (every two months) bill using 17.62 hundred cubic feet (Ccf) of water with a 5/8 inch x 3/4 inch meter. Liberty Park Water is not requesting additional increases in the cost of capital for 2020 and 2021. The table excludes applicable taxes and surcharges.

Rate Impact on Average Residential Customer's Bill

| | Present Monthly Bill | Proposed Decrease | Proposed Monthly Bill | Proposed Decrease % |
|---------------------------|---------------------------------|------------------------------|----------------------------------|--------------------------------|
| 5/8 inch x 3/4 inch meter | \$164.28 | \$(6.53) | \$157.74 | (3.98)% |

OBTAINING A COPY OF THE APPLICATION AND FURTHER INFORMATION

A copy of Liberty Park Water's Application No. 18-05-006 and related exhibits are available for review at Liberty Park Water's Office located at 9750 Washburn Road, Downey, CA 90241. If you need additional information, you may visit <https://libertyutilities.com> or call (800) 727-5987. The Application may also be viewed at the CPUC's Central Files Office by appointment. For more information, contact ajcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties of record will present their testimony and may be subject to cross-examination before the Judge. These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses. After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a draft decision which may adopt all or part of Liberty Park Water's request, modify, or deny the application. Any of the five CPUC Commissioners may sponsor an alternate decision and the issue will be voted on at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers. For more information about ORA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit ORA's website at <http://ora.ca.gov/default.aspx>.

STAY INFORMED

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the PAO as follows:

CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
public.advisor@cpuc.ca.gov
1 (866) 849-8390 (toll-free) or 1 (415) 703-2074
1 (866) 836-7825 (toll-free) or TTY 1 (415) 703-5282

Please refer to **Liberty Park Water's Application No. 18-05-006** in any communications with the CPUC regarding this matter. These comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.

LIBERTY UTILITIES (PARK WATER) CORP.