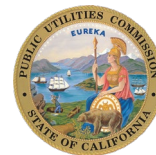


PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 19, 2022

Tiffany Thong
Manger, Rates and Regulatory Affairs
Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241

Dear Ms. Thong,

The Water Division of the California Public Utilities Commission has approved Liberty Utilities' (Park Water) Advice Letter No. 321-A, (Supplement to Advice Letter No. 321), filed on March 31, 2022, regarding authorization to offer a new non-tariffed product and service for a short-term contract between Liberty Park Water and Sativa Los Angeles County Water District.

Enclosed are copies of the following revised tariff sheets, effective December 28, 2021, for the utility's files:

P.U.C. Sheet No.	Title of Sheet
1559-W	Preliminary Statement, Page 31 JJ. Drinking Water Fee Memorandum Account KK. Sativa Revenue Memorandum Account ("SRMA")
1560-W	Preliminary Statement, Page 32 KK. Sativa Revenue Memorandum Account (continued)
1561-W	Table of Contents, Page 1

Please contact Jefferson Hancock at JHO@cpuc.ca.gov or 415-703-3453, if you have any questions.

Thank you.

Enclosures

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: Liberty Utilities (Park Water) Corp.

Date Mailed to Service List: March 31, 2022

District: N/A

CPUC Utility #: U 314-W

Protest Deadline (20th Day): January 17, 2022

Advice Letter #: 321-W-A

Review Deadline (30th Day): January 27, 2022

Tier 1 2 3 Compliance

Requested Effective Date: December 28, 2021

Authorization D.10-10-019 and Rule X

Rate Impact: N/A

Description: The purpose for this advice letter is to request authorization to offer a new non-tariffed product and service for a short-term contract between Liberty Park Water and Sativa Los Angeles County Water District.

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Tiffany Thong

Utility Contact: AnnMarie Lett

Phone: 562.805.2088

Phone: 562.923.0711

Email: Tiffany.Thong@LibertyUtilities.com

Email: AnnMarie.Lett@libertyutilities.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711
Fax: 562-861-5902

Advice Letter No. 321-W-A

March 31, 2022

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Liberty Utilities (Park Water) Corp. (U 314-W) (“Liberty Park Water”) is submitting this supplemental advice letter to the California Public Utilities Commission (“Commission”) in accordance with the Water Division’s directive to include the establishment of a memorandum account to track the customers’ share of revenue for its contract with the Sativa Los Angeles County Water District. This supplemental filing will replace Advice Letter 321-W in its entirety.

Summary

Liberty Park Water hereby requests authorization from the Commission to offer a new non-tariffed product and service (“NTP&S”) for a short-term contract executed between Liberty Park Water and the Sativa Los Angeles County Water District for the temporary transfer of excess water supplies. The purpose for this activity is to help provide customers currently served by the Sativa Los Angeles County Water District with a safe and reliable water source.

This filing is made pursuant to Decision (“D.”) 10-10-019 and Rule X of the Commission’s Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services (“NTP&S Rules”).¹

The proposed activity is designated as passive. Therefore, pursuant to Rule X.C, revenues shall be shared as follows: 70% to shareholders and 30% to ratepayers.

Liberty Park Water also requests establishment of a memorandum account to track the customers’ share of revenue associated with the Sativa NTP&S.

Background and Discussion

Liberty Park Water provides water service in Southern Los Angeles County to service areas consisting of four separate systems (Compton, Lynwood, Bellflower/Norwalk, and La Canada).

The Sativa Los Angeles County Water District (“Sativa”) is the interim administrator for the Sativa water system. Sativa provides water service to approximately 1,600 customers located within a residential area in the unincorporated community of Willowbrook and three small non-contiguous areas within the City of Compton. The Sativa water system is adjacent to Liberty Park Water’s Compton system.

¹ This advice letter only addresses the NTP&S Rules because Liberty Park Water’s proposed activity is with a non-affiliated third party.

Due to problems with water quality, Sativa installed an emergency interconnection to Liberty Park Water's Compton system in 2019, allowing Sativa to draw clean and safe water on an emergency basis to serve its customers while it searched for a buyer for the water system. In 2019, the sale of the Sativa water system was awarded to Suburban Water Systems ("SWS"), the acquisition application of which is currently pending with the Commission.²

Liberty Park Water's original intent for this activity was to provide service to Sativa only on an emergency basis to ensure Sativa's customers had a safe and reliable water source. Sativa's need for Liberty Park Water's water service, however, continued beyond the originally anticipated time frame. For that reason, effective January 2021, Liberty Park Water and Sativa executed a short-term contract ("Sativa Contract") for Liberty Park Water to continue providing water service through the interconnection to Sativa's customers until the Commission approves SWS' acquisition application (A.21-08-011). Without the Sativa Contract, Sativa would be forced to find an alternate reliable supply of safe, clean water for its customers.

Liberty Park Water currently anticipates that SWS' acquisition will be approved in or around June 2022. Therefore, for the expected duration of the Sativa Contract (January 2021 through June 2022), the estimated total gross revenues and costs are \$1,406,160 and \$790,246 respectively.³

In addition, Liberty Park Water requests establishment of the Sativa Revenue Memorandum Account ("SRMA") to track the customers' share of revenue associated with the Sativa Contract. Liberty Park Water will file an advice letter to refund the balance recorded in the SRMA at the termination of the contract.

A copy of the executed Sativa Contract is included in the workpapers.

Compliance with Rule X of the NTP&S Rules

Rule X.B.3 lists five conditions a service must meet to be offered in the open market as an NTP&S. The conditions are as follows:

- The NTP&S utilizes a portion of the excess or unused capacity of a utility asset or resource;
- Such asset or resource has been acquired for the purpose of and is necessary and useful in providing tariffed utility services;

² The revenues and costs associated with the emergency interconnection for 2019 through 2020 were used to offset the under-collection recorded in the WRAM and MCBA. See AL 306-W-B, 2019 WRAM/MCBA, approved effective 7/1/2021; AL 313-W 2020 WRAM/MCBA, approved effective 7/1/2021.

³ See workpapers for analysis of revenue and cost forecasts.

- The involved portion of such asset or resource may only be used to offer the product or service on a non-tariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services;
- The products and services can be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability or business risk being incurred by utility ratepayers, and no undue diversion of utility management attention; and
- The utility's offering of the NTP&S does not violate any California law, regulation, or Commission policy regarding anticompetitive practices.

The Sativa Contract complies with the requirements of Rule X.B.3. Liberty Park Water's surface and groundwater rights are an asset and an essential resource acquired for the purpose of tariffed utility service in order to provide safe and reliable water service.

The Sativa Contract will not affect the cost, quality or reliability of tariffed water service to Liberty Park Water's customers. The Sativa Contract is a month-to-month contract which is subject to the following conditions: (a) the availability of such water to Liberty Park Water; (b) the ability of Liberty Park Water's and Sativa's water distribution systems to deliver such water through the interconnection described in the contract; and (3) Liberty Park Water's determination that the supply of such water will not have an adverse economic impact on, or result in the impairment of, or jeopardize Liberty Park Water's water system, its customers, or its commitments to third parties. Additionally, the Sativa Contract utilizes minimal time (1.2% or less) of existing Liberty Park Water personnel for performance.⁴

Liberty Park Water's shareholders will be responsible for all risk associated with the Sativa Contract. Liberty Park Water will track ratepayers' portion of shared net revenues (i.e., gross revenues less production expenses) from the Sativa Contract in the SRMA. Any costs that exceed gross revenues will be borne by Liberty Park Water's shareholders.

The Sativa Contract does not violate any laws, regulations, or Commission policies regarding anticompetitive practices. The Sativa Contract is an arms-length transaction with a non-affiliate third-party. The Sativa Contract requires Liberty Park Water to provide water in compliance with all federal, state and local law, ordinances, rules and regulations for water quality.

Tier Designation

This is a Tier 1 Advice Letter pursuant to D.10-10-019 and Rule X.G. of the NTP&S Rules.⁵

⁴ See workpapers for detailed analysis.

⁵ Rule X.G requires a Tier 3 advice letter for new active NTP&S activities. Temporary water transfer contracts are passive activities, and a Tier 1 designation is appropriate. See Chapter 3 of Public Advocates Office's Report and Recommendations on Special Requests 3, 9, and 12, dated February 16, 2021, in Application 20-07-012.

Effective Date

Pursuant to General Rule 7.3 of General Order 96-B, Liberty Park Water requests this filing become effective on December 28, 2021.

Notice and Service

This Advice Letter is being served on Liberty Park Water's Advice Letter service list, as well as the service lists for R.09-04-012 and A.21-07-004.

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order or is not authorized by statute or Commission order upon which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (5) The relief requested in the advice letter requires consideration in a formal hearing or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. A response or protest must be made in writing or by electronic mail and must be received by the Division of Water within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission
505 Van Ness Avenue, San Francisco, CA 94102
Water.division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to Liberty Park Water, addressed to:

Tiffany Thong
Manager, Rates and Regulatory Affairs
Liberty Utilities
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Fax: (562) 861-5902
E-Mail: AdviceLetterService@libertyutilities.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division within the 20-day protest period so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

If you have not received a reply to your protest within 10 business days, contact Tiffany Thong at (562) 923-0711.

Very truly yours,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

Tiffany Thong
Manager, Rates and Regulatory Affairs
Tiffany.Thong@libertyutilities.com

TT/as

cc: Service List R.09-04-012
Service List A.21-07-003, et al.
Hani Moussa, Cal Advocates (hani.moussa@cpuc.ca.gov)
PublicAdvocatesWater@cpuc.ca.gov

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
1559-W	PRELIMINARY STATEMENT Sheet 31	1557-W
1560-W	PRELIMINARY STATEMENT Sheet 32	
1561-W	TABLE OF CONTENTS Sheet 1	1558-W

PRELIMINARY STATEMENT

JJ. Drinking Water Fee Memorandum Account

1. Purpose

The purpose of the Drinking Water Fees Memorandum Account (DWFMA) is to track the difference between actual drinking water fees charged by the State Water Resources Control Board (State Board) (based upon the revised fee schedule adopted by the State Board on September 22, 2021) and the drinking water fees authorized in rates.

2. Applicability

Liberty Park Water shall maintain the DWFMA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the DWFMA at the end of each month to record the expenses.
- b. Interest shall accrue to the DWFMA on a monthly basis by applying a rate equal to one twelfth of the 3-month non-financial Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, ([http://www.federalreserve.gov/Releases/H15>NFCP>M3.txt](http://www.federalreserve.gov/Releases/H15/NFCP>M3.txt)), or its successor publication (debit or credit).

3. Effective Date

The DWFMA shall go into effect on the effective date of Liberty Park Water's Advice Letter AL 320-W. The DWFMA will sunset with the effective date of Liberty Park Water's rates from its July 2024 General Rate Case application.

4. Disposition

Disposition of amounts recorded in the DWFMA shall be determined in Liberty Park Water's next General Rate Case application, or as otherwise determined by the Commission if the account's cumulative balance exceeds 2% of Liberty Park Water's adopted gross revenues. The recovery of over/under collections will be passed on to the customers through volumetric surcredits or surcharges.

KK. Sativa Revenue Memorandum Account ("SRMA")

1. Purpose

The purpose of the Sativa Revenue Memorandum Account ("SRMA") is to track the customers' share of revenue (30%) of the net revenue associated with the Sativa Contract. The net revenue is the difference between the gross revenue and associated production expenses (purchased water, purchased power, replenishment, leased water rights, and chemicals).

2. Effective Date

The SRMA will go into effect on the effective date of Liberty Park Water's Advice Letter 321-W-A. The SRMA will terminate with the termination of the Sativa Contract.

(N)

(N)

(Continued)

Advice Letter No. 321-W-A
Decision No.

Issued by
EDWARD N. JACKSON
PRESIDENT

Date Filed 12/28/2021
Effective 12/28/2021
Resolution No.

PRELIMINARY STATEMENT

Page 32

N

KK. Sativa Revenue Memorandum Account ("SRMA") (Continued)

(N)

3. Disposition

Liberty Park Water will file an advice letter refunding balance recorded in the SRMA to customers at the termination of the Sativa Contract.

(N)

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

<u>Subject Matter of Sheet:</u>	<u>C.P.U.C. Sheet No.</u>	
Title Page	1407-W	
Table of Contents	1561-W, 1554-W	(T)
Preliminary Statement.....	1408-W, 1274-W, 1316-W, 1275-W, 1276-W, 1528-W, 1029-W, 1071-W, 1504-W, 1505-W, 1297-W, 1506-W, 1507-W, 1508-W, 1309-W, 1336-W, 1415-W, 1424-W, 1464-W, 1476-W, 1477-W, 1552-W, 1555-W, 1559-W, 1560-W	(T)
Service Area Map Los Angeles County	914-W, 499-W, 1498-W, 1410-W	

Rate Schedules:

Schedule No. PR-1-R Residential Metered Service.....	1524-W, 1515-W
Schedule No. ME-1-R General Metered Service.....	1430-W
Schedule No. PR-1-NR Nonresidential Metered Service.....	1525-W, 1516-W
Schedule No. PR-4F Non-Metered Fire Sprinkler Service.....	1526-W, 1512-W
Schedule No. PR-5 Fire Flow Testing Charge.....	1155-W
Schedule No. PR-6 Reclaimed Water Service.....	1527-W, 1513-W
Schedule No. PR-9CM Construction & Other Temporary Meter Service.....	1158-W
Schedule No. 14.1 Water Shortage Contingency Plan.....	1533-W through 1540-W
Schedule No. LC Late Payment Charge.....	1459-W
Schedule No. UF Surcharge to Fund PUC Reimbursement Fee.....	1462-W
Schedule No. CAP California Assistance Program.....	1519-W, 1520-W
Schedule No. CAP-SC California Assistance Program Surcharge.....	1521-W

LIST OF CONTRACTS AND DEVIATIONS: 723-W

Rules:

No. 1 Definitions	1432-W, 1433-W
No. 2 Description of Service	400-W
No. 3 Application for Service	345-W, 916-W
No. 4 Contracts	346-W
No. 5 Special Information Required on Forms	1453-W, 1454-W, 1434-W, 1435-W
No. 6 Establishment and Re-establishment of Credit	347-W
No. 7 Deposits	1014-W, 1161-W
No. 8 Notices 1436-W through	1439-W
No. 9 Rendering and Payment of Bills	1097-W through 1099-W, 1467-W
No. 10 Disputed Bills	1440-W, 1441-W
No. 11 Discontinuance and Restoration of Service	1460-W, 1443-W through 1452-W
No. 12 Information Available to Public	353-W, 354-W
No. 13 Temporary Service	355-W, 356-W

(Continued)

City of Artesia
18747 Clarkdale Avenue
Artesia, CA 90701

City of Santa Fe Springs Water Dept.
11710 Telegraph Road
Santa Fe Springs, CA 90670

Suburban Water Systems
Attention: Kiki Carlson
1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044
kcarlson@swwc.com

Suburban Water Systems
Attention: Robert Kelly
1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044

City of Cerritos Water Department
18125 Bloomfield Avenue
Cerritos, CA 90703

Bellflower Somerset Mutual Water Co.
10016 E. Flower St.
P. O. Box 1697 (90707)
Bellflower, CA 90706

City of Norwalk Water Department
12700 S. Norwalk Boulevard
Norwalk, CA 90650

City of Compton Water Department
205 W. Willowbrook
Compton, CA 90220

Golden State Water Company
Ronald Moore, Regulatory Affairs
630 E. Foothill Blvd
San Dimas, CA 91773

City of Lynwood Water Department
Attention: Joseph Kekula
11330 Bullis Road
Lynwood, CA 90262

City of Paramount Water Department
16400 Colorado Avenue
Paramount, CA 90723

City of Bell Gardens
Attention: Steve Steinbrecher
7100 Garfield Avenue
Bell Gardens, CA 90201

Dominguez/California Water Service
2632 W. 237th Street
Torrance, CA 90505-5272

Calif. Public Utilities Commission
Attention: Ting-Pong Yuen
ORA Water
505 Van Ness Avenue
San Francisco, CA 94102

California Water Service Company
Attention: Daniel Armendariz
East Los Angeles District
2000 S. Tubeway Avenue
Commerce, CA 90040

Central Basin Municipal Water District
6252 Telegraph Road
Commerce, CA 90040

City of Bellflower
Attention: Jeff Stewart, City Manager
16600 Civic Center Drive
Bellflower, CA 90706

San Gabriel Valley Water Company
Christina Sluss, Rate Analyst
csluss@sgvwater.com

Nina Jazmadarian
General Manager
Foothill Municipal Water District
4536 Hampton Road
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City of LaCanada Flintridge
Mark Alexander
City Manager
malexander@lcf.ca.gov