

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 2, 2022

Tiffany Thong
Manager, 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. 319, filed on December 8, 2021, regarding authorization to establish the 2021 Water Conservation Memorandum Account.

Enclosed are copies of the following revised tariff sheets, effective December 8, 2021, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
1555-W	Preliminary Statement, Page 31 II. 2021 Water Conservation Memorandum Account
1556-W	Table Of Contents

Please contact Eustace Ednacot at ERE@cpuc.ca.gov or 415-703-1492, 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: December 8, 2021

District: N/A

CPUC Utility #: U 314-W

Protest Deadline (20th Day): December 28, 2021

Advice Letter #: 319-W

Review Deadline (30th Day): January 7, 2022

Tier 1 2 3 Compliance

Requested Effective Date: December 8, 2021

Authorization Resolution W-4976

Rate Impact: N/A

Description: The purpose for this advice letter is to establish the 2021 Water Conservation Memorandum Account.

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WITHDRAWN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 Ranchos Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711
Fax: 562-861-5902

Advice Letter No. 319-W

December 8, 2021

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Liberty Utilities (Park Water) Corp. (U 314-W) (“Liberty Park Water”) hereby submits the following revised tariff sheets applicable to water service in its service territory:

Purpose

Liberty Park Water requests authorization to create and implement the 2021 Water Conservation Memorandum Account (“2021WCMA”) to track incremental expenses incurred by Liberty Park Water to activate Schedule 14.1 mandatory rationing efforts and the implementation of Rule 14.1.

Background

The Governor of the State of California proclaimed a State of Emergency on April 21, 2021, May 21, 2021, July 8, 2021, and October 19, 2021, declaring severe drought conditions in all counties in the State of California. These counties include: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Kern, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, Yuba, Inyo, Marin, Mono, Monterey, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, and Santa Cruz. The October proclamation added the remaining counties of: Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Francisco, and Ventura. Of which now affects the Liberty Park Water service area. Now statewide, all counties are experiencing dire and severe drought conditions.

In his Emergency Drought Declaration on October 19, 2021, Governor Newsome cited, “climate change continues to intensify the impacts of droughts on our communities, environment, and economy, and California is in a second consecutive year of dry conditions, resulting in drought in all parts of the State and extreme or exceptional drought in most of the State; and WHEREAS the meteorological summer in California and the rest of the western United States was the hottest on record...”.

The Emergency Drought Declarations obligates water companies to work diligently with state water suppliers to conserve water during this declared drought condition. The following selected Ordering Paragraphs are from the October 19, 2021 Emergency Drought Declaration:

1. All agencies of the state government are to utilize and employ state personnel, equipment, and facilities for the performance of any and all activities consistent with the direction of the Governor’s Office of Emergency Services and the State Emergency Plan. Also, to protect their safety, all residents are to obey the direction of emergency officials with regard to this emergency in order to protect

their safety.

4. Consistent with the policies stated in Water Code Section 101.1.5(a), local agencies are encouraged to take actions to coordinate use of their available supplies and to substitute an alternate supply of groundwater from existing groundwater wells for the unused portion of surface water that the local agency is otherwise entitled to use. For actions taken pursuant to this paragraph, the provisions of Chapter 3 (commencing with Section 85225) of Part 3 of Division 35 of the Water Code and regulations adopted pursuant thereto are suspended for any (a) actions taken by state agencies pursuant to this paragraph, (b) actions taken by a local agency where the state agency with primary responsibility for implementing the directive concurs that local action is required, and (c) permits or approvals necessary to carry out actions under (a) or (b). The entities implementing this paragraph shall maintain on their websites a list of all activities or approvals that rely on the suspension of the foregoing Water Code provisions.

7. To proactively prevent situations where a community runs out of drinking water, the Water Board, the Department of Water Resources, the Office of Emergency Services, and the Office of Planning and Research shall assist local agencies with identifying acute drinking water shortages in domestic water supplies, and shall work with local agencies in implementing solutions to those water shortages.¹

Compliance

Liberty Park Water's request in this advice letter is in compliance with the directives in Section 24 of the Commission's Drought Procedures, adopted February 27, 2014 via Resolution No. W-4976. Section 24 states,

All expenses incurred by utility to activate both Rule 14.1 voluntary conservations and Schedule 14.1 mandatory rationing efforts that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. These monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

Liberty Park Water proposes the 2021 WCMA remain in effect until the drought is officially declared over.

Preliminary Statement

Liberty Park Water proposes to establish the 2021 Water Conservation Memorandum Account ("2021 WCMA") to track the incremental expenses, incremental conservation education expenses, water conservation material expenses including but not limited to lawn replacement programs, appliance and fixture rebate programs, other Operations and Maintenance ("O&M") and Administrative and General ("A&G") expenses, penalties, fines and surcharges from

¹ <https://www.gov.ca.gov/wp-content/uploads/2021/10/10.19.21-Drought-SOE-1.pdf>.

wholesale providers and governing agencies that are unforeseen, unexpected and directly associated with complying and implementing the mandated conservation practices. The costs being addressed here are caused by an event of exceptional nature and are not in existing rates.

The 2021 WCMA will also record the revenue shortfall associated with the conservation measures on Liberty Park Water's quantity revenues from the [Mesa Crest system] only, excluding revenues generated from Liberty Park Water's Reclaimed Water tariff, that are not covered by the WRAM.

Memorandum Account Justification

Accordingly, Liberty Park Water believes that the Governor's statewide drought declaration is an event not within Liberty Park Water's control. Liberty Park Water does not have control over natural events, such as droughts. Liberty Park Water could not have reasonably foreseen this drought declaration in its last general rate case. Liberty Park Water believes the amount of money involved is worth the effort of requesting a memorandum account. Liberty Park Water believes its actions to comply with the Governor's Emergency Drought Declaration is in the best interest of its customers.

Memorandum Account Treatment

Liberty Park Water is conscious that a memorandum account is not a guarantee of eventual recovery of expenses, nor is it carried as a regular account under the uniform system of accounts for water utilities. It is carried "off the books", as a memorandum account. Further, it is also known that Commission policy on memorandum account treatment has always been that the burden of proof of the reasonableness of expenses charged to the account is the responsibility of the utility requesting reimbursement of such expenses.

No cost information is required for this advice letter filing.

Tier Designation

This advice letter is submitted with a Tier 2 designation.

Effective Date

Liberty Park Water is requesting that this filing become effective on December 8, 2021.

Notice and Service

This advice letter does not seek to increase any rate or charge. Therefore, customer notice is unnecessary. In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted to Liberty Park Water's Advice Letter service list.

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 Division of Water and Audits 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) 805-2088.

Very truly yours,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

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

ENJ/ams

cc: Hani Mousa – Cal PA, hani.mousa@cpuc.ca.gov
Public Advocate, PublicAdvocatesWater@cpuc.ca.gov

**Cal P.U.C.
Sheet No.**

Title of Sheet

**Cancelling
Cal P.U.C.
Sheet No.**

1555-W PRELIMINARY STATEMENT
 Sheet 31

1556-W TABLE OF CONTENTS
 Sheet 1

1553-W

LIBERTY UTILITIES (PARK WATER) CORP.
ADVICE LETTER 319-W
SERVICE LIST

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
La Canada Flintridge, CA 91011

City of LaCanada Flintridge
Mark Alexander
City Manager
malexander@lcf.ca.gov

PRELIMINARY STATEMENT

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II. 2021 Water Conservation Memorandum Account_(continued)

(N)

1. Purpose

The purpose of the 2021 Water Conservation Memorandum Account Expense ("2021WCMA") will track the extraordinary expenses and penalties associated with the activation of Schedule 14.1 and the implementation of Rule 14.1. The 2021WCMA is consistent with Commission Resolution 4976 and the Commission's Standard Practice U-40-W, Procedures for Water Conservation, Rationing, and Service Connection Moratoria.

2. Applicability

The 2021WCMA will record Liberty Park Water's incremental public relations expenses, incremental conservation expenses, water conservation material expenses including but not limited to lawn replacement programs, appliance and fixture rebate programs, and other Operations and Maintenance ("O&M") and Administrative and General ("A&G") expenses, penalties, fines and surcharges from wholesale providers and governing agencies that are unforeseen and unexpected directly associated with complying and implementing the mandated conservation practices.

The 2021 WCMA will also record the revenue shortfall associated with the conservation measures on Liberty Park Water's quantity revenues from the [Mesa Crest system] only, excluding revenues generated from Liberty Park Water's Reclaimed Water tariff, that are not covered by the WRAM.

3. Monthly Account Entries

The following entries shall be made to the 2021WCMA on a monthly basis:

- a. The recorded incremental costs and the revenue shortfall (debit).
- b. The recorded revenues collected under Schedule No. 14.1 and other mandatory conservation-related charges imposed on customers (credit).
- c. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on the 3-month non-financial Commercial Paper Rate, published 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).

4. Effective Date

The 2021WCMA shall have an effective date of December 8, 2021.

5. Disposition

Disposition of amounts recorded in the 2021WCMA 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.

(N)

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

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(Continued)