

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 22, 2018

Edward N. Jackson
Director, Rates and Regulatory Affairs
Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241

Dear Mr. Jackson,

The Commission has approved Liberty Utilities' (Park Water) Advice Letter No. 282, filed on April 2, 2018, regarding authorization to implement a temporary surcharge to the water rates in Liberty Park Water's Service Area of \$0.528 per Ccf for domestic metered customers for an 18-month period.

Enclosed are copies of the following revised tariff sheets for the utility's files:

<u>P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
1373-W	Residential Metered Service, page 2
1374-W	Non-Residential Metered Service, page 2
1375-W	Table of Contents, page 1

Please contact Carmen Rocha at 415-703-2162, if you have any questions.

Thank you,

/s/ROBIN BRYANT

Robin Bryant
Water & Sewer Advisory Branch
Division of Water and Audits

Enclosures



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241
Tel: 562-923-0711
Fax: 562-923-9671

Advice Letter No. 282-W

April 2, 2018

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

CA PUC Sheet No.	Title of Sheet	Schedule Number	Canceling Sheet No.
1373-W	Residential Metered Service, page 2	PR-1-R	1359-W
1374-W	Non-Residential Metered Service, page 2	PR-1-NR	1361-W
1375-W	Table of Contents, page 1		1372-W

Summary

This advice letter filing requests authorization to implement a temporary surcharge to the water rates in Liberty Park Water's Service Area. Liberty Park Water is seeking a temporary surcharge of \$0.528 per Ccf for domestic metered customers for an 18-month period. The surcharge is designed to recover the combined under-collection recorded in the 2017 Water Revenue Adjustment Mechanism (WRAM) and the Modified Production Cost Balancing Account (MCBA)—adjusted for the 10% cap as discussed below. This request is made pursuant to the Commission's direction in Decision 08-02-036, dated February 28, 2008 and Decision 12-04-048, dated April 19, 2012.

Background and Discussion

In D.08-02-036 the Commission adopted the Settlement Agreement between Park and the Division of Ratepayer Advocates (DRA) on WRAM and Conservation Rate Design Issues dated

June 15, 2007. D.08-02-036 adopted a Trial Program for Liberty Park Water consisting of a conservation rate design and related mechanisms for decoupling sales and revenue (WRAM and MCBA). The Trial Program was implemented on September 15, 2008 with Commission approval of Park Advice Letter No. 200-W. In D.12-04-048 the Commission modified D.08-02-026 by authorizing an 18-month amortization schedule for the net balance recorded in the WRAM and MCBA.

The purpose of the WRAM is to track the difference between adopted and actual commodity rate revenue excluding revenue for fire service, reclaimed water, and miscellaneous fees. The purpose of the MCBA is to track the difference between adopted and actual costs for the following variable costs: purchased water, purchased power, pump tax, and chemicals. The MCBA captures variations in production costs due to either changes in unit price or changes in consumption.

The combined balance recorded in the WRAM and MCBA for the period January 1, 2017 through December 31, 2017 including interest through February 28, 2018, is an under-collection of \$3,528,920.

Liberty Park Water filed an information-only report with Water Division for the amounts recorded in the WRAM and MCBA during calendar year 2017 on November 30, 2017 detailing the WRAM and MCBA data for nine months, ending September 30, 2017. As compared to the information-only report, this filing includes an updated twelve months of WRAM and MCBA data, ending December 31, 2017, with a total net under-collected balance of \$3,519,294. With interest through February 28, 2018, the under-collection is \$3,528,520.

Liberty Park Water filed Advice Letter No. 259-W-A on April 1, 2015 seeking recovery of the combined WRAM and MCBA balance as of December 31, 2014. Advice Letter 259-W-A was approved by the Commission on June 3, 2015 implementing an 18-month surcharge. The surcharge is no longer in effect. With interest through February 28, 2018, the total remaining under-collection or residual balance is \$183,663.

Liberty Park Water filed Advice Letter No. 268-W on March 31, 2016 seeking recovery of the combined WRAM and MCBA balance as of December 31, 2015. Advice Letter 268-W was approved by the Commission on May 18, 2016 implementing an 18-month surcharge. The surcharge is no longer in effect. With interest through February 28, 2018, the total remaining under-collection or residual balance is \$443,135.

On April 30, 2012, the Commission issued Decision 12-04-048 which, among other things, changed the amortization period of the WRAM/MCBA and imposed a 10% cap of the last authorized revenue requirement. D.12-04-48, Ordering Paragraph 3:

3. We adopted the amortization schedule set forth in Appendix A with a cap on total net Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA) surcharges of 10% of the last authorized revenue requirement. The cap shall be effective the first test year of each applicant's pending or next General Rate Case, as follows:

- *Golden State and Park: Advice Letter filings on March 2014*
- *Cal Water: Advice Letter filings on March 2015*
- *Apple Valley: Advice Letter filing on March 2016*

WRAM/MCBA account balances incurred prior to the first test year referenced above continue to be amortized under the adopted amortization schedule without being subject to the surcharge cap.

Liberty Park Water filed Advice Letter No. 275-W on March 30, 2017 seeking recovery of the combined WRAM and MCBA balance as of December 31, 2016 \$3,202,699. With interest through February 27, 2017, the total uncollected balance was \$3,206,890. Because of the 10% cap, the amount approved for recovery in Advice Letter 275-W was \$378,000, implemented a 12-month surcharge. Liberty Park Water is requesting in this advice letter to recover the remaining balance of \$2,828,890. With interest through February 28, 2018, the total uncollected balance was \$2,866,673.

The total combined above balances is \$7,022,392 or 17.84% of Liberty Park Water's 2018 adopted revenue requirement. Because of the 10% cap imposed by D.12-04-048, Liberty Park Water is requesting a portion of the total combined balance (up to the 10% cap limitation). Liberty Park Water will seek recovery of the remaining balance recorded in the 2017 WRAM and MCBA and any residual balance recorded in the 2016 and prior WRAM and MCBA in a subsequent advice letter filing or in its next GRC application.

Liberty Park Water is therefore requesting recovery of \$3,720,000 or 9.45% of its adopted 2018 revenue requirement. Liberty Park Water proposes to recover the under-collection recorded in the WRAM and MCBA through an 18-month surcharge of \$0.528 per Ccf applicable to domestic

service for schedules PR-1-R, residential metered service and PR-1-NR, non-residential metered service.

The Commission Staff has been provided with workpapers developing the balances in the WRAM and MCBA. The calculation of the surcharges is included in the workpapers.

Tier Designation

Pursuant to D.07-01-024, this advice letter is submitted with a Tier 1 designation.

Requested Effective Date

Pursuant to General Rule 7.3.2 of General Order 96-B, Liberty Park Water requests this filing become effective on May 1, 2018.

Notice and Service

In accordance with General Order 96-B, General Rules 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on April 2, 2018 to competing and adjacent utilities and other utilities or interested parties having requested such notification.

In accordance with Resolution W-4664, notice is not required. Liberty Park Water will include notice of the rate change within the bill during the first billing period the increase is in effect.

Response or Protest

Anyone may respond to or protest this advice letter. When submitting a response or protest, please include the utility name and advice letter number in the subject line. 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 on 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; or

- (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 and Audits 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 us, addressed to:

Edward N. Jackson
Director, Rates and Regulatory Affairs
Liberty Utilities (California)
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Phone: (562) 923.0711, ext. 1212
Fax: (562) 861-5902
E-Mail: Edward.Jackson@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 Edward Jackson at (562) 923-0711, ext. 1212.

Very truly yours,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Edward N. Jackson

EDWARD N. JACKSON

Director, Rates and Regulatory Affairs

Liberty Utilities (California)

562.923.0711, ext. 1212

Fax: (562) 861-5902

Edward.Jackson@libertyutilities.com

ENJ/ssf

Attachment

SCHEDULE NO. PR-1-R
RESIDENTIAL METERED SERVICE
(Continued)

24. As authorized by the California Public Utilities Commission, an amount of \$ 0.081 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 275-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2016. (D)
25. As authorized by the California Public Utilities Commission, an amount of \$ 0.528 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 282-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2017. (I)
|
(I)

(To be inserted by utility)

Advice Letter No. 282-W

Decision No. D.12-04-048

Issued By

Gregory S. Sorensen
Name

President
Title

(To be inserted by P.U.C.)

Date Filed 04/02/2018
Effective 05/22/2018

Resolution No. _____

SCHEDULE NO. PR-1-NR
NON-RESIDENTIAL METERED SERVICE
(Continued)

24. As authorized by the California Public Utilities Commission, an amount of \$ 0.081 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 275-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2016. (D)
25. As authorized by the California Public Utilities Commission, an amount of \$ 0.528 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 282-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2017. (I)

(To be inserted by utility)
Advice Letter No. 282-W
Decision No. D.12-04-048

Issued By
Gregory S. Sorensen
Name
President
Title

(To be inserted by P.U.C.)
Date Filed 04/02/2018
Effective 05/22/2018
Resolution No. _____

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: Sheet No.</u>	C.P.U.C.
Title Page	1263-W
Table of Contents	1375-W, 1347-W (T)
Preliminary Statement	722-W, 1274-W, 1316-W, 1275-W, 1276-W, 1357-W, 1297-W, 1203-W, 1320-W, 1298-W, 1309-W, 1336-W, 1371-W
Service Area Map Los Angeles County	914-W, 499-W through 502-W

Rate Schedules:

Schedule No. PR-1-R	Residential Metered Service	1358-W, 1373-W (T)
Schedule No. PR-1-NR	Nonresidential Metered Service	1360-W, 1374-W (T)
Schedule No. PR-4F	Non-Metered Fire Sprinkler Service	1362-W, 1363-W
Schedule No. PR-5	Fire Flow Testing Charge	1155-W
Schedule No. PR-6	Reclaimed Water Service	1364-W, 1365-W
Schedule No. PR-9CM	Construction & Other Temporary Meter Service	1158-W
Schedule No. 14.1	Water Shortage Contingency Plan	1233-W through 1238-W
Schedule No. LC	Late Payment Charge	848-W
Schedule No. UF	Surcharge to Fund PUC Reimbursement Fee	1369-W
Schedule No. CARW	California Alternative Rates for Water	1366-W, 921-W
Schedule No. CARW-SC	California Alternative Rates for Water Surcharge	1367-W

LIST OF CONTRACTS AND DEVIATIONS:

723-W

Rules:

No. 1	Definitions	636-W, 637-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	798-W through 800-W
No. 6	Establishment and Re-establishment of Credit	347-W
No. 7	Deposits	1014-W, 1161-W
No. 8	Notices	1136-W, 802-W
No. 9	Rendering and Payment of Bills	1097-W through 1100-W
No. 10	Disputed Bills	609-W, 610-W
No. 11	Discontinuance and Restoration of Service	803-W through 808-W 1017-W, 1162-W, 1163-W
No. 12	Information Available to Public	353-W, 354-W
No. 13	Temporary Service	355-W, 356-W

(continued)

(To be inserted by utility)

Advice No. 282-W

Issued By:

GREGORY S. SORENSEN

Name

(To be inserted by Cal. P.U.C.)

Date Filed

04/02/2018

Effective

05/22/2018

Dec. No. _____

PRESIDENT

Title

Resolution No. _____

**LIBERTY UTILITIES (PARK WATER) CORP.
ADVICE LETTER 282-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: 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

San Gabriel Water Company
Attention: Dan Dell'Osa
P. O. Box 6010
El Monte, CA 91734

City of Bell Gardens
Attn: 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