



2019-21 GENERAL RATE CASE FACT SHEET LIBERTY UTILITIES PARK WATER

Liberty Utilities Park Water Files For 2019-2021 Water Rates

- As required by law, Liberty Utilities Park Water filed a General Rate Case (GRC) application on Jan. 2, 2018 with the California Public Utilities Commission (CPUC) for the years 2019-21. The application seeks funding for fixed costs, operational expenses and critical system investments through a modest rate adjustment of 3.21% on July 1, 2019, 4.98% in 2020 and 5.24% in 2021 for residential and commercial customers.
- An average residential customer with a 5/8-inch x 3/4-inch meter, using 6,589 gallons (881 cubic feet or 8.81 CCF) of water per month, would see a monthly bill adjustment in July 2019 of \$2.57 from \$73.90 to \$76.47, compared to 2018 (excluding any applicable surcharges).
- Liberty Utilities Park Water will continue to offer a bi-monthly credit of more than \$14 for low-income customers who qualify for the California Alternative Rates for Water (CARW) program.

Rate Case Basics

- CPUC-regulated water providers, including Liberty Utilities Park Water, are required to file a GRC application every three years. The CPUC ratemaking process is thorough, public and includes an independent ratepayer advocate to ensure customers receive fair rates for safe and reliable water service.
- Customers have an opportunity to participate in the ratemaking proceedings, and their interests are protected throughout the process by the state's Office of Ratepayer Advocates (ORA).
- Over the next 18 months, the CPUC will consider Liberty Utilities Park Water's request, including a complete review from the ORA and public input from customers, and then make a final ruling to determine water rates.
- Notices regarding the GRC filing and proposed rates will be placed in local newspapers and mailed directly to customers.

Why Rate Adjustments are Necessary:

- The 2019-21 GRC includes funds for operations and infrastructure investments, including water main replacements, improved facilities and additional fire hydrants. These proposed investments are detailed in the application and are available for public review.
- Liberty Utilities Park Water diligently maintains the water system today to protect service for current and future generations, because deferring maintenance can undermine the reliability of the system over time and lead to unplanned disruptions from line breaks, which are more costly than planned replacements.

- Liberty Utilities Park Water operates and maintains a complex water system that includes more than 250 miles of pipes, 11 wells, six purchased water connections, seven booster pumps and 2.6 million gallons of storage reservoirs and tank capacity to ensure water is available to local customers when they need it.

About Rates and Costs

- Liberty Utilities Park Water rates cover the full cost to provide water service and maintain the system.
- Rates are based (in-part) on a water usage forecast, and the CPUC requires Liberty Utilities Park Water to reconcile the difference between projected and actual water usage each year. Any over-collected revenue is returned to customers as a surcredit and any under-collected revenue is ultimately recovered by the company through a temporary surcharge.
- Most of the cost **to provide water service** is fixed (as high as 90 percent), meaning it is not based on the amount of water customers' use. These costs include: testing water quality, maintaining the water system to fix leaks and ensuring that pipes, wells, pumps and hydrants work properly.
- By contrast, only 30% of **what customers pay for water service**, on average, is fixed, and this is collected through a low bi-monthly service charge. This rate structure, prescribed by the CPUC, promotes conservation and gives customers maximum control over their water bills. Customers who use less water benefit from lower water bills.

To Learn More:

- Notices regarding the GRC filing and proposed rates will be placed in local newspapers and mailed directly to customers in the coming weeks. Information will also be available on Liberty Utilities Park Water's website at www.libertyutilities.com.