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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of Liberty Utilities
(Park Water) Corp. (U 314 W) for Authority to
Increase Rates Charged for Water Service by
\$1,110,000 or 3.21% in 2019, \$1,776,769 or 4.98%
in 2020, and \$1,944,452 or 5.24% in 2021.

APPLICATION NO. _____

APPLICATION OF

LIBERTY UTILITIES (PARK WATER) CORP. (U 314 W)

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January 2, 2018

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I. INTRODUCTION

Liberty Utilities (Park Water) Corp. (U 314 W) (“Liberty Park Water” or “Applicant”) hereby files its application for a general rate increase (“Application”). Liberty Park Water, a California corporation, is a Class A Public Utility Water Company regulated by the California Public Utilities Commission (“Commission”) providing regulated water utility service in and near Los Angeles County. A general description of Liberty Park Water’s property and its field of operations, the original cost of its property and equipment, by class, and the cost thereof, to Liberty Park Water and the depreciation and amortization reserves applicable to such property and equipment, by class, are contained in Liberty Park Water’s Annual Reports to the Commission. A certified copy of the Amended Articles of Incorporation of Liberty Park Water is attached to this application as Exhibit G.

Liberty Park Water continuously evaluates and undertakes measures to reduce its overall cost of providing service to its customers by improving operational efficiencies. Some of the operational efficiencies achieved are offset by needed capital improvements and the replacement of aging infrastructure dedicated to providing water service. The rates proposed in this Application are necessary to recover the costs of providing high quality water and reliable service on a sustained basis that is essential for the health, safety, and well-being of the community served by Liberty Park Water.

II. PRELIMINARY MATTERS

A. Test Period

The test period for the rate increase is Test Year 2019 with 2020 and 2021 selected as the Escalation Years. This is consistent with the rate case plan adopted by the Commission by D.07-05-062 (“RCP”).

B. SB 960 Scoping Memorandum

This Application is a general rate increase proceeding and is therefore a “Rate Setting” proceeding. Evidentiary hearings may be necessary because of factual disputes that may arise on material issues such as water sales, operating revenue, operation and maintenance expenses, utility plant, depreciation, taxes, and revenue requirements. A proposed schedule for completing the proceeding is contained in Appendix A.¹

C. Summary of Requested Increase and Rate Base Changes

The requested revenue increase for Liberty Park Water for 2019 above revenues generated by present rates is \$1,110,000, or 3.21%. At this time, Liberty Park Water is only requesting specific rates for Test Year 2019. Pursuant to the escalation year increase methodology adopted by the RCP (D.07-05-062, Appendix A, p. A-19), Liberty Park Water will file advice letters setting out its calculations and supporting analysis for the escalation year rates 45 days prior to the first day of each escalation year. For the sole purpose of providing customer notification, Liberty Park Water has estimated the impact of the escalation methodology for 2020 and 2021. The revenue increase estimate for 2020 is \$1,776,769, or 4.98% above the proposed revenue increase for Test

^{1/} Liberty Park Water’s subsidiary – Liberty Utilities (Apple Valley Ranchos Water) Corp. (“Liberty Apple Valley”) – is concurrently filing its GRC application at the same time Liberty Park Water is filing this GRC application. Liberty Park Water and Liberty Apple Valley desire to consolidate the two GRC proceedings to achieve efficiencies and avoid any inconsistent resolutions of similar issues in the two proceedings. In accordance with the recommendations of the Commission’s Water Division, Liberty Park Water and Liberty Apple Valley will be filing a Joint Motion to consolidate the two GRC proceedings and to apply the 20-month multi-district schedule instead of the 14-month schedule that otherwise would apply to each GRC proceeding. In anticipation that the Commission would grant such motion, Liberty Park Water’s proposed schedule attached hereto as Appendix A is based on the 20-month multi-district schedule.

Year 2019. The estimated revenue increase for 2021 is \$1,944,452, or 5.24% above the estimated revenue requirement for 2020.

Liberty Park Water estimates that the requested increase will produce a rate of return on equity of 9.79% and a return on Liberty Park Water’s estimated rate base for Test Year 2019 of 9.41%. The requested return on equity and return on rate base is based on the cost of capital adopted by the Commission for Liberty Park Water in the most recent Cost of Capital Proceeding D.13-05-027 (A.12-05-001). As discussed in Exhibit C (Liberty Park Water – General Office Report), however, the present authorized rate of return on rate base was *lowered* from 9.07% to 7.07% to reflect Liberty Park Water’s current cost of debt. The requested rate increase is necessary because Liberty Park Water’s present rates are insufficient, unjust, and unreasonable in that they do not produce adequate revenue to yield to Liberty Park Water a fair, just, and reasonable return on capital invested and to be invested in plant, property, and other equipment devoted to providing utility service.

As required by the RCP (Appendix A, p. A-22), the following table compares the proposed test year data (Test Year 2019) to the last adopted test year (Test Year 2016) and the last recorded year (2016) data.

Comparison Between Proposed Test Year and Last Test Year Adopted and Last Recorded Year			Proposed Test Year
	Last Test Year	Last Recorded Year²	
Total Rev Req \$	35,346,330	32,591,628	35,686,606
Rate Base \$	70,452,014	67,988,182	88,718,873
Rate Base %	25.28%	16.00%	
Operating Expenses \$	28,956,317	25,413,162	29,114,433
Operating Expenses %	0.55%%	(12.24%)	
Rate of Return	9.07	10.56%	7.41%

D. Results of Operation

The Application exhibits consist of the following:

- Financial Statements as of September 30, 2017 (Exhibit A);
- Liberty Park Water– Revenue Requirements Report (Exhibit B);

² Use most recent 12 months of available data; revise with complete calendar year data when available.

- Liberty Park Water– General Office Report (Exhibit C);
- Urban Water Management Plan Liberty Park Water (Exhibit D);
- Qualifications and Prepared Testimony (Exhibit E);
- Liberty Park Water– Response to Minimum Data Requirements (Exhibit F);
- Amended Articles of Incorporation (Exhibit G); and
- Comparison Exhibit (Exhibit H).

The above exhibits describe Liberty Park Water’s overall results of operation. Exhibit D is the most recent Urban Water Management Plan filed with the California Department of Water Resources. Exhibit H, the Comparison Exhibit, describes the differences between the proposed application and the application.

The above-referenced exhibits and the workpapers for this Application contain explanations of all significant changes from the last adopted and recorded plant amounts and capital related costs, as well as an explanation of significant changes in circumstances or assumptions affecting the expenses and customer growth. A detailed reconciliation of significant changes between the proposed Test Year 2019 expenses and the last adopted and recorded expenses has not been prepared because Liberty Park Water does not believe that this would provide any useful information. Specifically, the adopted expenses for Test Year 2016 were prepared during calendar year 2014 while the expenses proposed in this Application for Test Year 2019 were prepared during calendar year 2017. Liberty Park Water does not believe that an analysis of expense estimates prepared three years apart for differing test periods is useful. Liberty Park Water likewise does not believe that an analysis of the recorded expenses for recorded year 2016, which is three years removed from the test year in this Application, is helpful. The workpapers contain a comparison of the proposed Test Year 2019 expenses and the five-year average of recorded expenses (2012 – 2016), escalated to Test Year 2019.

E. Primary Cost Increases

Liberty Park Water’s rates were last reviewed in Application 15-01-001, a general rate case (“GRC”) filed on January 2, 2015, which requested rates for 2016, 2017, and 2018 and resulted in D.16-01-009 (January 14, 2016). The rates for Liberty Park Water also reflect the cost of capital, last reviewed in Application 12-05-001, filed May 1, 2012. That application requested cost of

capital in rates for 2013, 2014, and 2015, and resulted in D.13-05-027, dated May 23, 2013. This Application proposes the rates required for Test Year 2019, including the cost of capital adopted by D.13-05-027. The proposed rates are increased over those presently in effect for the following primary reasons:

- Additional revenues to produce a fair rate of return on capital invested in property dedicated to providing utility service;
- Increased capital-related costs resulting from increased investment;
- Increases in unit costs of production;
- Inflationary increases anticipated during 2018 and the Test Year;
- Increases in payroll expense; and
- Increases in health and welfare benefits.

Detailed discussions of the above are contained in Exhibit B, the Revenue Requirements Report.

F. List of Issues of Controversy

In the previous GRC, the Commission adopted a comprehensive settlement agreement between Liberty Park Water and the Office of Ratepayer Advocates (“ORA”) that resolved all issues. Liberty Park Water has no way of anticipating the positions ORA will take in opposition to Liberty Park Water’s proposed Test Year 2019 revenue requirement. It has been Liberty Park Water’s experience that each GRC is unique with respect to the issues raised by ORA. Liberty Park Water anticipates, however, that ORA may oppose Liberty Park Water’s proposed capital projects and payroll budget. Based on ORA positions in prior GRCs, Liberty Park Water anticipates that ORA also may take issue with Liberty Park Water’s requested memorandum accounts (*see* Memorandum Accounts below) and Liberty Park Water’s balancing accounts (*see* Balancing Accounts below).

Additionally, there is one area where Liberty Park Water is proposing a difference in methodology that may create the potential for opposition from ORA.

1. Sales Forecasts.

Although Liberty Park Water performed and is submitting the basic regression analysis procedure for the New Committee Method of sales forecasting, Liberty Park Water based its consumption estimates for the residential customer group for Test Year 2019 on recorded consumption for 2017, as described in Exhibit B (Chapter III). Given actual sales levels over the

last few years, Liberty Park Water believes that the basic sales forecast methodology does not result in reasonable estimates and, therefore, consistent with the New Committee method, Liberty Park Water proposes an alternate methodology. Alternate methodologies have been previously proposed and adopted by the Commission. As discussed below (*see* Special Requests), Liberty Park Water also proposes a Sales Reconciliation Mechanism (“SRM”) to adjust the adopted consumption in each escalation year if certain conditions are met. Liberty Park Water believes that the SRM will: (1) improve the accuracy of the sales forecasts adopted in this proceeding; (2) reduce the potential for large balances in the Water Revenue Adjustment Mechanism (“WRAM”) balancing account; and (3) reduce the temporal inequity associated with customers who receive the surcharge (or surcredit) associated with the amortization of WRAM balances.

III. SUMMARY OF CONTENTS

A. Basic Information

Testimony describing the basic information required by the RCP is contained in Exhibits B, C, and F.

B. Regulated Plant in Service

Testimony, with supporting analysis and documentation, describing Liberty Park Water's regulated plant in service is provided in Exhibits B (Chapter VI) and C (Chapter V). The workpapers identify and justify all capital additions and include analysis, evaluation, and overall budget. A comparison of the forecasted capital additions adopted in the last GRC and actual capital additions is contained in the accompanying workpapers. The calculation of the forecasted capital additions based on the five-year average of recorded plant additions, and the explanation of significant changes from the last adopted and recorded regulated plant in service, are contained in the accompanying workpapers.

C. Revenue Requirement: Operations and Maintenance, Administrative and General, General Office

Testimony, with supporting analysis and documentation, describing Liberty Park Water's revenue requirement related to Operations and Maintenance expense, Administrative and General expense, and General Office expense is contained in Exhibits B (Chapter IV), C (Chapter III), and F, respectively.

D. Revenue Requirement: Water Sales and Production

Testimony, with supporting analysis and documentation, describing Liberty Park Water's water sales and production is contained in Exhibits B (Chapter III) and F.

E. Rate Base

Testimony, with supporting analysis and documentation, describing Liberty Park Water's rate base is contained in Exhibits B (Chapter VIII), C (Chapter V), and F.

F. Supply and Distribution Infrastructure Status and Planning

Testimony, with supporting analysis and documentation, describing Liberty Park Water's supply and distribution infrastructure status and planning is contained in Exhibits B (Chapter II), E, and F.

G. Conservation and Efficiency

Testimony, with supporting analysis and documentation, describing Liberty Park Water's conservation and efficiency measures is contained in Exhibits B (Chapter II) and F.

H. Water Quality

Testimony, with supporting analysis and documentation, describing Liberty Park Water's water quality is contained in Exhibits B (Chapter X) and F. Liberty Park Water requests a Commission finding that the water service provided meets or exceeds State and Federal drinking water standards and meets the requirements of General Order 103-A.

I. Service Quality

Testimony describing Liberty Park Water's service quality is contained in Exhibit B (Chapter II).

J. Transactions with Corporate Affiliates

Testimony describing Liberty Park Water's transactions with corporate affiliates is contained in Exhibit C (Chapter I).

K. Unregulated Transactions

Liberty Park Water currently has two contracts that are subject to the Commission's Non-Tariffed Products & Services ("NTPS") Rules in D.10-10-019 (Appendix A, Rule X). The contracts are third party contracts with HomeServe, a provider of service line emergency repairs insurance. One contract is for the use of Liberty Park Water's marks in HomeServe's marketing communications and the other is for billing HomeServe's service to participants in HomeServe's program who are Liberty Park Water's customers. At this time, Liberty Park Water does not intend to renew these contracts when they expire in 2018.

Additionally, Liberty Park Water currently has a contract with the City of Bellflower to operate the City's water system. At this time, however, it is uncertain whether this contract will be renewed when the contract expires in 2018. Accordingly, Liberty Park Water has not credited its revenue requirement with any NTPS revenues during the test period. Testimony describing Liberty Park Water's NTPS is provided in Exhibit B (Chapter XII).

L. Real Property Subject to Water Infrastructure Improvement Act of 1996

During 2017, one well (Well 29-H, with a total original cost of \$10,927.37) and one pump lot (Pump Lot 29-H, with a total original cost of \$1,306.46) were determined to be no longer used and useful. As of the preparation of this Application, no disposition has occurred for the pump lot. The pump lot is being transferred to non-utility property in the year-end 2017 accounting. Liberty Park Water requests Commission acknowledgement that Liberty Park Water is in compliance with the Infrastructure Improvement Act.

M. Rate Design

Liberty Park Water requests Commission authorization to continue its existing conservation rate design program to promote water conservation. For residential customers, the proposed conservation rate design consists of increasing block rates of two tiers. Liberty Park Water requests that the Commission consider a minor adjustment to the residential rate design for the redistribution of the tier breakpoint. Due to the different characteristics of its non-residential customers, Liberty Park Water recommends retaining the single quantity conservation rate for non-residential customers, until appropriate data and analysis is available to identify customers' water needs. Appropriate increasing block rate design for non-residential classes, which encourages conservation but is not punitive to the business, industrial, and public authority customer classes, require multiple rate designs applied to subclasses and is not currently feasible. Liberty Park Water proposes to continue implementing other measures to promote conservation to non-residential customers.

Testimony, with supporting analysis and documentation, describing Liberty Park Water's proposed rate design is contained in Exhibit B (Chapter XII).

N. Low-Income Assistance Program

In D.06-10.036, the Commission authorized Liberty Park Water to establish a low-income ratepayer assistance program, known as California Alternative Rates for Water (“CARW”). Liberty Park Water proposes continuing its existing CARW program. The CARW program authorized for Liberty Park Water consists of a \$7.40 per month service charge discount for qualifying customers who meet the income eligibility requirements established annually by the Commission. Liberty Park Water proposes to increase the current monthly service charge discount by the average percentage increase to rates authorized in this proceeding. Liberty Park Water also proposes increasing the existing surcharge of \$6.14 by the average percentage increase to rates authorized in this proceeding. The surcharge offsets the CARW discounts provided to qualifying customers and the CARW program costs.

Testimony, with supporting analysis and documentation, describing Liberty Park Water’s proposed low-income assistance program, is contained in Exhibit B (Chapter II).

O. Balancing Accounts

1. WRAM/MCBA

In accordance with the Water Action Plan (WAP), Liberty Park Water requests Commission authorization to continue its existing Water Revenue Adjustment Mechanism (“WRAM”)/Modified Cost Balancing Account (“MCBA”). The WRAM and MCBA are the decoupling mechanisms authorized by the Commission in D.08-09-026 and continued in D.12-09-004 and D.16-01-009. The mechanisms are essentially identical to the mechanisms agreed to by Liberty Park Water and ORA (then “DRA”) in their June 15, 2007 settlement agreement filed in the Conservation OII (I.07-01-022) for Liberty Park Water’s Central Basin Division, which was authorized by the Commission in D.08-02-036 (February 28, 2008) and continued in D.09-12-001 and D.16-01-009.

As referenced in the WAP, the Commission’s ratemaking mechanisms have traditionally included financial disincentives for water conservation programs. The purpose of the WRAM is to remove the financial disincentives to water conservation by decoupling water sales from revenues. Liberty Park Water’s WRAM tracks the full difference between actual and adopted commodity rate revenue, in conjunction with the modified (production) cost balancing accounts as discussed below.

Liberty Park Water proposes to continue the MCBA as part of its conservation rate design program. The MCBA captures variations in production costs (purchased power, purchased water, pump tax or replenishment assessments, and leased water rights) due to either changes in unit price or changes in consumption and serves to refund production cost savings from conservation back to customers.

2. CARW Revenue Reallocation Balancing Account

Liberty Park Water requests that the Commission review its CARW Revenue Reallocation Balancing Account for approval and refund to customers through a surcredit (excluding those customers enrolled in the CARW program). Liberty Park Water requests that the Commission authorize continuation of the CARW Revenue Reallocation Balancing Account. This account remains necessary to track the difference between the recorded discounts provided by the CARW program and the surcharge collected to fund the CARW program.

3. Conservation One-Way Balancing Account

Liberty Park Water requests that the Commission defer its review of the Conservation One-Way Balancing Account that tracks the difference between actual conservation program expenses and authorized conservation program expenses. Because the account covers the entire (current) rate case cycle, an audit of the account is premature at this time. Liberty Park Water proposes that the Commission authorize deferral of the audit until after the completion of the 2016 – 2018 rate case cycle when Liberty Park Water files an advice letter for resolution of the account authorized for that period.

4. Employee and Retiree Healthcare Balancing Account

Liberty Park Water requests that the Commission authorize a new Employee and Retiree Healthcare Balancing Account to track the difference between authorized employee and retiree healthcare expense included in rates and the actual costs incurred by the Company. This balancing account is needed due to the magnitude of the expense, the volatility of the expense, and the fact that the expense is outside of Liberty Park Water's control.

5. Pension Expense Balancing Account

Liberty Park Water requests that the Commission review its Group Pension Balancing Account for approval and refund to customers through a surcredit. Liberty Park Water requests Commission authorization to continue the Pension Expense Balancing Account to track the difference between the adopted pension expense included in rates and the actual expenses incurred

by the Company. Liberty Park Water seeks such an account because of the magnitude of the expense, the volatility of the expense, and the fact that the expense is outside of Liberty Park Water's control.

6. Consolidated Expense Balancing Account

Liberty Park Water requests that Commission review its Consolidated Expense Balancing Account for approval and amortization through a surcharge to customers. Liberty Park Water proposes that the Commission authorize the continuation of this account.

Testimony, with supporting analysis and documentation, on Liberty Park Water's balancing accounts is provided in Exhibit B (Chapter XI).

P. Memorandum Accounts

1. 2014 Water Conservation Memorandum Account

Liberty Park Water requests that the Commission review its 2014 Water Conservation Memorandum Account for approval and amortization through a surcharge to customers. Resolution W-4976 authorized Liberty Park Water to track the incremental costs associated with compliance with the drought mitigation measures and procedures ordered by the Commission and the State of California Governor's office. Liberty Park Water requests that the Commission authorize continuation of this memorandum account to track the costs associated with mandatory rationing in the event it is required in Liberty Park Water's service area.

2. Income Tax Repair Regulations Implementation Memorandum Account

Liberty Park Water requests that the Commission review the balance recorded in the Income Tax Repair Regulations Implementation Memorandum Account for approval and amortization through a surcharge to customers. Liberty Park Water requests Commission authorization to close the account, since Liberty Park Water anticipates that all implementation costs have been incurred.

3. Tangible Property Regulations Consequences Memorandum Account

Liberty Park Water requests that the Commission review the Tangible Property Regulations Consequences Memorandum Account for approval and refund to customers through a surcredit. Liberty Park Water requests Commission authorization to close the account, as the impact of these regulations on Liberty Park Water's revenue requirement has been incorporated into the calculation of Liberty Park Water's requested revenue requirement in this Application.

4. Interim Rates Memorandum Account and Cost of Capital Memorandum Account

Liberty Park Water requests that the Commission review the residual balance resulting from Advice Letter No. 250-W. Commission approval of Advice Letter No. 250-W authorized a temporary surcharge to recover the balance recorded in the 2013 Interim Rates Memorandum Account and the 2013 Cost of Capital Memorandum Account. Liberty Park Water requests Commission authorization to transfer the residual balance to the Consolidated Expense Balancing account to amortize the remaining balance recorded in the account through a surcharge to customers.

5. 2016 Interim Rates Memorandum Account

Liberty Park Water requests that the Commission review the residual balance contained in the 2016 Interim Rates Memorandum Account. Liberty Park Water requests Commission authorization to transfer the residual balance to the Consolidated Expense Balancing Account and to amortize the remaining balance recorded in the account through a surcharge to customers.

Testimony, with supporting analysis and documentation, on Liberty Park Water's memorandum accounts is provided in Exhibit B (Chapter XI).

Q. Cost of Capital

Pursuant to D.07-05-062, Liberty Park Water's cost of capital is determined in separate proceedings, not in applications for general rate increase. Accordingly, Liberty Park Water has not included in this Application testimony regarding its cost of capital. For purposes of determining the revenue requirement, Liberty Park Water has based its capital structure and cost of capital on the most recent cost of capital proceeding for Liberty Park Water, D.13-05-027, with one exception. Liberty Park Water has lowered the authorized rate of return on rate base, to reflect Liberty Park Water's expected actual (reduced) cost of debt during the test year. Pursuant to the RCP, as modified by the Commission's Executive Director, Liberty Park Water is scheduled to file a cost of capital application on May 1, 2018 for the 2019-2021 period.

R. Special Requests

1. Expense Offset Advice Letters

Liberty Park Water anticipates filing purchased water/replenishment offset advice letters subsequent to the filing of this Application but prior to the test year. Liberty Park Water proposes that the Commission recognize any subsequent offsets prior to the issuance of a final decision in

this GRC. A final decision in this proceeding should reflect the change in revenue requirement caused by any expense offset advice letters. Offsettable expense price changes are not forecast in a GRC. Liberty Park Water's proposal would minimize any potential customer confusion from repeated customer notices and additional workload for Commission Staff and Liberty Park Water that would be caused by Liberty Park Water having to repeat advice letter filings to implement the expense offset increases.

2. Sales Reconciliation Mechanism

Liberty Park Water proposes that the Commission authorize a Sales Reconciliation Mechanism ("SRM") for the escalation years of the rate case cycle. The mechanism would adjust the adopted sales forecast for escalation years in the event that recorded sales for the previous year are more than 5% different (higher or lower) than the adopted year sales. The mechanism would make a 50% adjustment to the entire adopted sales forecast for the escalation year. The SRM would minimize any over-collections or under-collections of revenue tracked in the WRAM/MCBAs. By re-setting rates if forecasted and actual sales diverge significantly, this approach better effectuates the goals enumerated in the WAP of providing clearer conservation rate signals to customers and by more definitely decoupling sales and revenues. This request is made pursuant to Ordering Paragraph 4 of Decision 16-12-026 (R.11-11-008), which authorizes Class A and B water companies to request an SRM in their next GRC.

Testimony, with supporting analysis and documentation, on Liberty Park Water's special requests is provided in Exhibit B (Chapters XI and XII).

IV. PROCEDURAL MATTERS

A. Filings

An original signed copy and four copies of the proposed Application and supporting testimony, as well as one full paper copy set of workpapers, have been served on ORA. In addition, one copy of the proposed Application and supporting testimony has been provided to the Commission's Legal Division and the Water Division.

B. Proposed Schedule

The proposed Schedule is attached hereto as Appendix A. This timetable corresponds the schedule for multi-district filings in the RCPP, because it is anticipated that the Commission will consolidate this application with Park Water's GRC application.

C. Proposed Notice to Customers

A Proposed Notice to Customers is attached hereto as Appendix B. The proposed notice describes the reasons for the requested increase and estimates the average bill increase for a typical customer by customer class. The proposed notice has been submitted for review to the Commission's Public Advisor office.

D. Inquiries

Inquiries for clarification or additional data should be addressed to:

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V. CONCLUSION

Applicant Liberty Utilities (Park Water) Corp. respectfully requests that the Commission approve this Application for a general rate increase.

Dated at Downey, California, January 2, 2018.

Respectfully submitted,
LIBERTY UTILITIES (PARK WATER) CORP.

By: /s/ Edward N. Jackson

Edward N. Jackson
Director, Rates and Regulatory Affairs
Liberty Utilities (California)

LIBERTY UTILITIES (PARK WATER) CORP.
Rate Case Processing Plan (RCPP) Timetable
Test Year 2019

Formal RCPP Activities:

1.	Proposed Application Tendered	-60	November 1, 2017
2.	Deficiency Letter Mailed	-30	December 1, 2017
3.	Appeal to Executive Director	-25	December 7, 2017
4.	Executive Director Acts	-20	December 12, 2017
5.	Application Filed	0	January 2, 2018 ¹
6.	PHC	10 - 75	January 12 – March 19, 2018 ¹
7.	Update of Applicant’s Showing	100	April 12, 2018
8.	PPH, if any, Held	10 - 190	January 12- July 11, 2018
9.	DRA & Intervener(s) distribute Reports	204	July 25, 2018
10.	Other Parties Serve Testimony	218	August 8, 2018
11.	Utility Distributes Rebuttal to DRA and Intervener Reports	264	September 24, 2018 ¹
12.	Formal Settlement Negotiations	270-290	October 1-October 22, 2018 ¹
13.	Cost of Capital		May 1, 2018
14.	Evidentiary Hearings	290-310	October 22- November 12, 2018 ¹
15.	Opening Briefs Filed and Served	340	December 12, 2018
16.	Motion for Interim Rates	340	December 12, 2018
17.	Mandatory Status Conference	341	December 13, 2018
18.	Reply Briefs Filed and Served ²	350	December 24, 2018 ¹
19.	Water Division Technical Conference	370	January 14, 2019 ¹
20.	ALJ’s Proposed Decision Mailed	460	April 15, 2019
21.	Comments on Proposed Decision	480	May 6, 2019 ¹
22.	Reply Comments	485	May 13, 2019 ¹
23.	Commission Meeting	500	May 28, 2019

¹ Adjusted not to fall on weekend or holiday

² The detailed and complete joint comparison exhibit showing all parties’ final positions shall also be filed at this time.

**LIBERTY UTILITIES (PARK WATER) CORP.
NOTICE OF APPLICATION FOR A GENERAL RATE INCREASE
APPLICATION NO. 18-01-00X**

On January 2, 2018, Liberty Utilities (Park Water) Corp. (Liberty Park Water) filed their General Rate Case (GRC) Application A.18-01-00X, with the California Public Utilities Commission (CPUC). The application requests authority to increase rates over a three-year period 2019, 2020, and 2021. If approved by the CPUC, rates would increase beginning January 1, 2019.

SUMMARY

Liberty Park Water's application requests to increase revenues by \$1,303,700 (or 3.76%) in 2019 over current revenues, by \$1,312,620 (or 3.63%) in 2020, and by \$1,498,880 (or 4.00%) in 2021.

The following table shows the requested increase in revenues per customer class:

Proposed Revenue Increases

Customer Class	<u>2019 Increase</u>		<u>2020 Increase</u>		<u>2021 Increase</u>	
Residential	\$982,205	4.27%	\$1,164,343	4.88%	\$1,402,326	5.70%
Business	\$275,359	4.63%	\$257,366	4.14%	\$294,648	4.60%
Industrial	\$17,648	7.06%	\$10,553	3.61%	\$10,478	3.78%
Public Authority	\$3,414	0.83%	\$18,331	4.45%	\$25,852	6.15%
Private Fire Service	\$91,284	4.38%	\$87,766	4.04%	\$104,195	4.60%
Private Fire Hydrants	\$ (8,765)	-3.65%	\$7,973	3.32%	\$3,694	1.41%
Temporary	\$2,165	1.04%	\$8,218	3.39%	\$11,353	4.29%
Reclaimed	\$79,063	11.34%	\$34,194	4.58%	\$34,965	4.51%
Total Water Revenues	\$1,649,076	4.81%	\$1,657,136	4.63%	\$1,844,454	4.97%

CUSTOMER IMPACT

If the increases in rates are approved by the CPUC as proposed, the impact on the average residential customer with a 5/8 x 3/4 inch meter using 17.54 Ccf every two months will be as follows:

Year	<u>Present</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	(every 2 months)	(every 2 months)	(every 2 months)	(every 2 months)
Amount of Bill	\$146.97	\$154.21	\$160.90	\$166.82
Amount of Increase		\$ 7.24	\$ 6.69	\$ 5.92
Percentage Increase		4.92%	4.34%	3.68%

REASON FOR REQUEST

Projected water sales for 2019-2021 are significantly below the rates presently in effect for 2018 and would generate revenues that fall below the authorized 2018 revenues. The revenue increases would in part pay to:

- Recover operating costs and cost of capital,
- fixed costs of operating the water system (regardless of the amount of water sales),
- improve infrastructure,
- promote the efficient use of water, and
- allow Liberty Park Water to meet its goals to ensure a safe and reliable source of supply.

OBTAINING A COPY OF THE APPLICATION

A copy of Liberty Park Water's Application No. 18-01-00X and related exhibits are available for review at the Liberty Park Water Office, 9750 Washburn Road, Downey, CA 90241. If you need additional information, you may visit <https://libertyutilities.com> or call toll free 1-800-727-5987, TTY 562-299-5158. The application may also be reviewed at the CPUC's Central Files Office by appointment. For more information, contact aljcentralfilesid@cpuc.ca.gov or 1-415-703-2045.

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:

Write: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
Email: public.advisor@cpuc.ca.gov
Phone: 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 GRC Application No. 18-01-00X** 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.