

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



April 27, 2017

Edward N. Jackson
Director of Revenue Requirements
Liberty Utilities (Park Water) Corp.
PO Box 7002
Downey, CA 90241

Dear Mr. Jackson,

The Commission has approved Liberty Utilities' Advice Letter No.275-W, filed on March 30,2017, regarding the authorization to implement a temporary surcharge to the water rates in Liberty Park Water's Service Area, which was submitted in accordance with Decision D.12-04-048.

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>
1338-W	Residential Metered Service, page 2
1339-W	Nonresidential Metered Service, page 2
1340-W	Table of Contents, Page 1

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

Thank you,

/s/ SREEJA MELUVEETIL

Sreeja Meluveettil
Water & Sewer Advisory Branch
Division of Water and Audits

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 30, 2017
District: N/A
CPUC Utility #: U-314-W **Protest Deadline (20th Day):** April 19, 2017
Advice Letter #: 275-W **Review Deadline (30th Day):** April 29, 2017
Tier ☒ 1 ☐ 2 ☐ 3 ☒ Compliance **Requested Effective Date:** May 1, 2017
Authorization D.12-04-048 **Rate Impact:** \$378,000
1.02%

Description: 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 \$0.081 per Ccf for domestic metered customers for a 12-month period.

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: Edward N. Jackson
Phone: 562.923.0711, ext. 1212
Email: ed.jackson@parkwater.com

Utility Contact: Ellen M. Zimbalist
Phone: 562.923.0711, ext. 1208
Email: ellen.zimbalist@libertyutilities.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
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[] APPROVED

[] WITHDRAWN

[] REJECTED

Signature: _____

Comments: _____

Date: _____



Advice Letter No. 275-W

March 30, 2017

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:

Calif. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule Number</u>	<u>Canceling Sheet No.</u>
1338-W	Residential Metered Service, page 2	PR-1-R	1321-W
1339-W	Non-Residential Metered Service, page 2	PR-1-NR	1322-W
1340-W	Table of Contents, page 1		1337-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 \$0.081 per Ccf for domestic metered customers for an 12-month period. The surcharge is designed to recover the combined under-collection recorded in the 2016 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 Park 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, 2016 through December 31, 2016 including interest through February 28, 2017, is an under-collection of \$3,206,890.

Liberty Park Water filed an information-only report with the Division of Water and Audits for the amounts recorded in the WRAM and MCBA during calendar year 2016 on November 30, 2016 detailing the WRAM and MCBA data for nine months, ending September 30, 2016. In that report, Liberty Park Water indicated that the WRAM includes an adjustment for the Interim Rates Memorandum Account authorized by D.16-01-009. The purpose of this adjustment is to ensure that the commodity revenues tracked in the Interim Rates Memorandum Account are excluded from the WRAM. As compared to the information-only report, this filing includes an updated twelve months of WRAM and MCBA data, ending December 31, 2016, with a total net under-collected balance of \$3,202,699. With interest through February 28, 2017, the under-collection is \$3,206,890 which is 8.62% of Liberty Park Water 2017 adopted revenue requirement.

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.

The Commission previously approved Liberty Park Water Advice Letter 268-W which implemented an 18-month surcharge effective May 6, 2016. The surcharge was designed to recover the balance recorded in the 2015 WRAM and MCBA or \$3,157,229 or 8.93% of Liberty Park Water's 2016 revenue requirement. Because this surcharge is currently in effect and because of the 10% cap imposed by D.12-04-048, Liberty Park Water is requesting recovery of only a portion of the balance recorded in the WRAM and MCBA during calendar year 2016 (up to the 10% cap limitation). Liberty Park Water will seek recovery of the remaining balance

recorded in the 2016 WRAM and MCBA and any residual balance recorded in the 2015 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 \$378,000 or 1.02% of its adopted 2017 revenue requirement. Liberty Park Water proposes to recover the under-collection recorded in the WRAM and MCBA through a 12-month surcharge of \$0.081 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, 2017.

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 March 30, 2017 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 (Park Water) Corp.
9750 Washburn Road, P. O. Box 7002
Downey, CA 90241
Phone: (562) 923.0711, ext. 1212
Fax: (562) 861-5902
E-Mail: regulatoryaffairs@parkwater.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 (Park Water) Corp.

ENJ/emz

Attachment

SCHEDULE NO. PR-1-R

RESIDENTIAL METERED SERVICE

(Continued)

20. As authorized by the California Public Utilities Commission, an amount of \$0.451 per Ccf is to be added to the quantity rate for a period of 18-months, beginning on the effective date of Advice Letter 268-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2015.
21. As authorized by the California Public Utilities Commission, an amount of \$0.026 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 266-W. This surcharge will recover the net total under-collected balance for the Income Tax Repair Regulations Implementation Memorandum Account, the Low-Income Data Sharing Cost Memorandum Account, the Credit Card Memorandum Account, and the Cost of Capital Memorandum Account.
22. As authorized by the California Public Utilities Commission, a one-time sur-credit of \$1.84 per customer is to be applied on the effective date of Advice Letter 269-W. This sur-credit will refund the over-collection in the Conservation Expense One-Way Conservation Balancing Account as of December 31, 2015.
23. As authorized by the California Public Utilities Commission, an amount of \$0.020 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 271-W. This surcharge will recover the net under-collection in the Interim Rates Memorandum account as of January 21, 2016.
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.

(1)
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(1)

(To be inserted by Utility)

Advice No. 275-W

GREGORY S. SORENSEN
Name

Dec. No. D.12-04-048

PRESIDENT
Title

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

Date Filed 03-30-2017

Effective 05-01-2017

Resolution No. _____

LIBERTY UTILITIES (PARK WATER) CORP.
9750 WASHBURN ROAD
P. O. BOX 7002
DOWNEY, CALIFORNIA 90241-7002

REVISED Cal. P.U.C. Sheet No. 1339-W
Canceling REVISED Cal. P.U.C. Sheet No. 1322-W

SCHEDULE NO. PR-1-NR

NON-RESIDENTIAL METERED SERVICE
(Continued)

20. As authorized by the California Public Utilities Commission, an amount of \$0.451 per Ccf is to be added to the quantity rate for a period of 18-months, beginning on the effective date of Advice Letter 268-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2015.
21. As authorized by the California Public Utilities Commission, an amount of \$0.026 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 266-W. This surcharge will recover the net total under-collected balance for the Income Tax Repair Regulations Implementation Memorandum Account, the Low-Income Customer Data Sharing Cost Memorandum Account, the Credit Card Memorandum Account, and the Cost of Capital Memorandum Account.
22. As authorized by the California Public Utilities Commission, a one-time sur-credit of \$1.84 per customer is to be applied on the effective date of Advice Letter 269-W. This sur-credit will refund the over-collection in the Conservation Expense One-Way Conservation Balancing Account as of December 31, 2015.
23. As authorized by the California Public Utilities Commission, an amount of \$0.020 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 271-W. This surcharge will recover the net under-collection in the Interim Rates Memorandum account as of January 21, 2016.
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. (I)
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(I)

(To be inserted by Utility)

Advice No. 275-W

Issued By

GREGORY S. SORENSEN
Name

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

Date Filed 03-30-2017

Dec. No. D.12-04-048

PRESIDENT
Title

Effective 05-01-2017

Resolution No.

LIBERTY UTILITIES (PARK WATER) CORP.
9750 WASHBURN ROAD
P. O. BOX 7002
DOWNEY, CALIFORNIA 90240

REVISED	Cal. P.U.C. Sheet No.	1340-W
Canceling	REVISED	Cal. P.U.C. Sheet No.
		1337-W

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:

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Schedule No. PR-9CM Construction & Other Temporary Meter Service	1158-W
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(continued)

(To be inserted by utility)

Advice No. 275-W

Issued By:

GREGORY S. SORENSEN

Name

Date Filed

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

03-30-2017

Effective

05-01-2017

Dec. No. D.12-04-048

PRESIDENT

Title

Resolution No.

LIBERTY UTILITIES (PARK WATER) CORP.
ADVICE LETTER 275-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
DRA 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