

Docket	:	<u>A.25-06-017</u>
Exhibit Number	:	<u>CA-11</u>
Commissioner	:	<u>M Baker</u>
Admin Law Judge	:	<u>R. Haga</u>
Witness	:	<u>M. Karle</u>



**PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**TESTIMONY ON
COST RECOVERY
FOR MOUNTAIN VIEW FIRE
COST-RECOVERY APPLICATION**

Customer Rate and Bill Impacts

San Francisco, California
December 12, 2025

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CUSTOMER RATE AND BILL IMPACTS

I. INTRODUCTION

This exhibit pertains to the application of Liberty Utilities (CalPeco Electric) LLC, (“Liberty”) to recover costs associated with the Mountain View Fire (Application 25-06-017).

This exhibit presents the analyses of the Public Advocates Office (Cal Advocates) regarding the customer rate and bill impacts of Liberty’s cost recovery proposal.

This exhibit relates specifically to Exhibit Liberty-07, Liberty’s testimony on Liberty’s proposals for cost recovery.

II. LIBERTY’S COST RECOVERY PROPOSAL

Liberty seeks to recover \$78.2 million in total, including third-party claims, legal expenses, and financing costs.¹ Liberty has proposed a three-year amortization of the Wildfire Expense Memorandum Account (WEMA) balance, recovered via a volumetric surcharge which would appear as its own line item on customer bills.² Liberty proposes to apply this as a 4.451 cents per kW/h surcharge applied equally to all customer classes³.

The prior volumes of Cal Advocates’ testimony review the reasonableness of Liberty’s conduct with regard to the Mountain View Fire and whether Liberty has demonstrated that those costs are just and reasonable. This volume instead focuses on the rate and bill impact on Liberty’s ratepayers.

A. Rate and Bill Impacts of Liberty’s WEMA Application

Liberty’s proposed cost recovery will cause substantial rate and bill impacts for Liberty’s Residential customers. Table 1 below illustrates the rate impact of Liberty’s proposed 4.451 cents per kW/h surcharge for Residential customers.

¹ Application of Liberty Utilities (Calpeco Electric) LLC for Authority to Recover Costs related to the 2020 Mountain View Fire Recorded in the Wildfire Expense Memorandum Account, June 20, 2025 (Application) at 1.

² Application at 17; and Attachment 1, Data Request CalAdvocates-LIB-A2506017-012, Sept. 22, 2025 (Attachment 1), Question 7.

³ Exhibit (Ex.) Liberty-07 at 6.

Table 1: Liberty WEMA Proposed Rate Impact⁴

Customer Class	Current Rate	Proposed Rate	Percent Increase
Residential (Permanent)	0.27103	0.31555	16.40%
Residential (Non-Permanent)	0.29590	0.34041	15.00%
Residential (CARE)	0.22360	0.26811	19.90%

Table 2 illustrates how this rate increase will be reflected in the average monthly bill impact for Liberty's residential customers.

Table 2: Liberty WEMA Proposed Monthly Bill Impact⁵

Customer Class	Current Average Bill	Proposed Average Bill	Dollar Increase	Percent Increase
Residential (Permanent)	\$198.97	\$228.75	\$29.78	15.0%
Residential (Non-Permanent)	\$164.44	\$187.10	\$22.66	13.8%
Residential (CARE)	\$147.61	\$174.10	\$26.48	17.9%

Liberty estimates a monthly bill increase of \$29.78 (15.0%) for Residential customers, \$22.66 (13.8%) for Non-permanent Residential customers, and \$26.48 (17.9%) for Residential California Alternative Rates for Energy (CARE) customers.

These impacts in isolation are already substantial. However, Liberty has also proposed another major rate increase as a part of its pending 2025 General Rate Case (GRC) proceeding. Taken cumulatively, these rate increases will significantly burden Liberty's Residential customers. Table 3 below shows the cumulative impact of Liberty's proposed WEMA and GRC rate increases.

⁴ Ex. Liberty-07 at 7.

⁵ Ex. Liberty-07 at 6.

Table 3: Cumulative GRC & WEMA Proposed Rate Impact⁶

Customer Class	Current Rate	Proposed Rate	Percent Increase
Residential (Permanent)	0.27103	0.38443	41.8%
Residential (Non-Permanent)	0.29590	0.38443	29.9%
Residential (CARE)	0.22360	0.31500	40.9%

Table 4 shows the cumulative average monthly bill impact of Liberty's proposed WEMA and GRC rate increases.

Table 4: Cumulative GRC & WEMA Proposed Monthly Bill Impact⁷

Customer Class	Current Average Bill	Proposed Average Bill	Dollar Increase	Percent Increase
Residential (Permanent)	\$198.97	\$302.52	\$103.54	52.0%
Residential (Non-Permanent)	\$164.44	\$237.08	\$72.63	44.2%
Residential (CARE)	\$147.61	\$202.02	\$54.41	36.9%

The cumulative burden of Liberty's proposed rate increases represents a substantial potential hardship for Liberty's Residential customers, with permanent Residential customers facing an average \$103.54 monthly bill increase.

The magnitude of these cumulative rate increases as proposed is unsustainable. Liberty states that it considered a five year amortization period, which resulted in a per kW/h rate increase of 2.826 cents,⁸ compared to the 4.451 cents surcharge for a three-year amortization proposed by Liberty. A longer amortization period results in higher overall

⁶ Attachment 1, Question 3.

⁷ Attachment 1, Question 2.

⁸ Data Request CalAdvocates-LIB-A2506017-012, Question 4.

cost to customers, and Liberty estimates that extending the amortization period from three to five years would result in an additional \$4.53 million in financing costs. However, the Commission must balance this against the substantial immediate rate impact.

III. CONCLUSION

Between the pending 2025 GRC and Liberty's WEMA application, Liberty's Residential customers face extreme bill impacts for the three-year surcharge period. To the extent that the Commission determines any costs related to the Mountain View Fire to be just and reasonable, it should consider alternative recovery scenarios, including alternative amortization terms which would spread the impact of Liberty's proposed rate increases over a longer period.

APPENDIX A
QUALIFICATIONS OF WITNESS

1 **PREPARED TESTIMONY AND QUALIFICATIONS**
2 **OF**
3 **MATTHEW A. KARLE**

4 My name is Matthew A. Karle. My business address is 505 Van Ness Avenue, San
5 Francisco, California. I am employed by the Public Advocates Office (Cal Advocates) as
6 a Program and Project Supervisor in the Safety Branch.

7 I hold a Master of Arts degree in Government from California State University,
8 Sacramento, and a Bachelor of Arts degree in Political Science from San Francisco State
9 University.

10 I have testified before the California Public Utilities Commission (Commission) as
11 an expert witness in numerous Commission regulatory proceedings. I have been an
12 expert witness in the following areas and proceedings: Depreciation: PG&E 2014 GRC,
13 PG&E 2015 GT&S, SCE 2015 GRC, SDG&E/SoCalGas 2016 GRC; Pipeline Corrosion
14 Control: PG&E 2015 GT&S. Revenue Cycle Services Marginal Costs: PG&E 2017 GRC
15 Phase 2; Customer Marginal Costs: SCE 2018 GRC Phase 2. Infrastructure Programs,
16 SouthWest Gas 2021 GRC.

17 I have also authored comments to the Office of Energy Infrastructure Safety on
18 SDG&E's 2020 and 2021 WMPs, PacifiCorp's 2021 WMP, and SCE's 2022 WMP.
19 This completes my prepared testimony.

APPENDIX B

SUPPORTING ATTACHMENTS

LIST OF ATTACHMENTS FOR APPENDIX B

Attachment #	Title
Attachment 1	Liberty's Response to Data Request CalAdvocates-LIB-A2506017-012, September 22, 2025.

ATTACHMENT 1

**Liberty's Response to Data Request
CalAdvocates-LIB-A2506017-012
September 22, 2025**



Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 530-544-4811

September 22, 2025

Liberty Utilities (CalPeco Electric) LLC

**A.25-06-017
WEMA**

The Public Advocates Office

Data Request No.: CalAdvocates-LIB-A2506017-012
Requesting Party: Public Advocates Office
Originator: Matthew Karle, Matthew.Karle@cpuc.ca.gov
Aaron Louie, Aaron.Louie@cpuc.ca.gov
Patrick Huber, Patrick.Huber@cpuc.ca.gov
Cc: Cal Advocates Wildfire Discovery,
CalAdvocates.WildfireDiscovery@cpuc.ca.gov
Date Received: September 8, 2025
Due Date: September 22, 2025

REQUEST NO. 1:

Liberty-07, at p. 4, states that “Liberty reviewed various cost recovery mechanisms for the incremental Mountain View Fire-related expenses recorded in its WEMA, including rate recovery through traditional amortization and securitization financing.”

What cost recovery mechanisms, other than securitization and three-year amortization, did Liberty consider?

RESPONSE:

Liberty also considered two-, four- and five-year amortization periods for cost recovery of the WEMA.

REQUEST NO. 2:

Using the same format as Table 5 in Liberty-07, please provide the cumulative estimated bill impact of both this proceeding and of Liberty’s current general rate case filing in A.24-09-010. Assume that both Liberty’s GRC request and Liberty’s request in this application are approved in full.

RESPONSE:

Customer Class	Three-Year Amortization				
	Current Average Bill	Proposed Average Bill (GRC & WEMA)	Bill Impact - WEMA (\$/kwh)	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Residential (Permanent)	198.97	302.52	0.04451	103.54	52.0%
Residential (Non-Permanent)	164.44	237.08	0.04451	72.63	44.2%
Residential (CARE)	147.61	202.02	0.04451	54.41	36.9%
A1 - Small General Service	551.61	804.89	0.04451	253.28	45.9%
A2 - Medium General Service	7,968.82	11,539.94	0.04451	3,571.12	44.8%
A3 - Large General Service	46,223.29	68,876.22	0.04451	22,652.93	49.0%
PA - Irrigation	1,592.70	2,410.91	0.04451	818.21	51.4%
SL - Street Lighting	46.16	85.30	0.04451	39.14	84.8%
OL - Outdoor Lighting	31.29	54.13	0.04451	22.84	73.0%

REQUEST NO.3:

Using the same format as Table 6 in Liberty-07, please provide the cumulative estimated rate impact of both this proceeding and of Liberty's current general rate case filing in A.24-09-010. Assume that both Liberty's GRC request and Liberty's request in this application are approved in full.

RESPONSE:

Customer Class	Three-Year Amortization				
	Current Rate	Proposed Rate (GRC & WEMA)	Rate Impact - WEMA (\$/kwh)	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Residential (Permanent)	0.27103	0.38443	0.04451	0.11339	41.8%
Residential (Non-Permanent)	0.29590	0.38443	0.04451	0.08853	29.9%
Residential (CARE)	0.22360	0.31500	0.04451	0.09140	40.9%
A1 - Small General Service	0.33732	0.49022	0.04451	0.15290	45.3%
A2 - Medium General Service	0.33790	0.53489	0.04451	0.19700	58.3%
A3 - Large General Service	0.20663	0.26549	0.04451	0.05886	28.5%
PA - Irrigation	0.25113	0.37878	0.04451	0.12766	50.8%

REQUEST NO. 4:

Using the same format as Table 5 in Liberty-07, please provide the estimated bill impact, assuming that Liberty's request in this application is approved in full, using a five year amortization period.

RESPONSE:

Five-Year Amortization				
Current Average Bill	Proposed Average Bill	Bill Impact (\$/kwh)	\$ Increase/ (Decrease)	% Increase/ (Decrease)
198.97	217.88	0.02826	18.90	9.5%
164.44	178.83	0.02826	14.38	8.7%
147.61	164.43	0.02826	16.81	11.4%
551.61	595.58	0.02826	43.97	8.0%
7,968.82	8,592.65	0.02826	623.83	7.8%
46,223.29	48,782.33	0.02826	2,559.04	5.5%
1,592.70	1,768.84	0.02826	176.15	11.1%
46.16	48.11	0.02826	1.95	4.2%
31.29	32.43	0.02826	1.14	3.6%

REQUEST NO. 5:

Using the same format as Table 6 in Liberty-07, please provide the estimated rate impact, assuming that Liberty's request in this application is approved in full, using a five year amortization period.

RESPONSE:

Five-Year Amortization				
Current Rate	Proposed Rate	Rate Impact (\$/kwh)	\$ Increase/ (Decrease)	% Increase/ (Decrease)
0.27103	0.29929	0.02826	0.02826	10.4%
0.29590	0.32415	0.02826	0.02826	9.5%
0.22360	0.25185	0.02826	0.02826	12.6%
0.33732	0.36558	0.02826	0.02826	8.4%
0.33790	0.36615	0.02826	0.02826	8.4%
0.20663	0.23488	0.02826	0.02826	13.7%
0.25113	0.27938	0.02826	0.02826	11.3%

REQUEST NO. 6:

Liberty-07, at p. 5, states that “Extending the recovery period would reduce the monthly bill impact but would increase total customer payments on a nominal basis due to financing costs incurred over the longer period.”

Please estimate the total incremental cost of using a five year amortization period, relative to the three year amortization proposed in Liberty-07.

RESPONSE:

The total incremental cost of using a five-year versus a three-year amortization would be \$4,530,023. See the table below for the difference:

	Amount	Annual Sales (kWh)	Surcharge
3-Year	\$ 78,218,128.42	585,708,000	0.04451
5-Year	\$ 82,748,151.36	585,708,000	0.02826
	\$ 4,530,022.94		

REQUEST NO.7:

Liberty-07, at p. 5, states: Liberty proposes to recover the WEMA costs authorized in this Application through a three-year surcharge via a newly established balancing account, the Wildfire Expense Balancing Account 18 (“WEBA”). Liberty proposes to establish the WEBA to facilitate this recovery.”

Has Liberty considered how this surcharge will appear on customer bills? Does Liberty intend to use a separate line item or otherwise break out the volumetric rate to show the portion of Liberty’s total per kW/h volumetric rate and/or customer bill attributable to the WEBA surcharge?

RESPONSE:

Liberty intends to present the WEBA surcharge as a separate line item on customer bills to clearly identify recovery associated with the Wildfire Expense Balancing Account. The separate line item will show the volumetric rate and surcharge amount applied to the customer’s bill.