

PARA UNA VERSIÓN DE ESTE AVISO EN ESPAÑOL, POR FAVOR LLAME AL NÚMERO 1-760-247-6484,
O VISITE <https://libertyutilities.com>

**NOTICE OF PUBLIC PARTICIPATION HEARING REGARDING LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. APPLICATION FOR A COST OF CAPITAL RATE DECREASE
APPLICATION NO. 18-05-006**

You are invited to attend a Public Participation Hearing (PPH) on this proposed rate decrease.

October 10, 2018 at 7:00 p.m.
Junipero Serra State Office Building – Carmel Room (Auditorium)
320 West 4th Street
Los Angeles, CA 90013

PUBLIC PARTICIPATION HEARING

The California Public Utilities Commission (CPUC) is interested in your comments about this proposed rate decrease. The CPUC will hold a PPH at the time and date underlined above. The purpose of the PPH is for customers of Liberty Utilities (Apple Valley Ranchos Water) Corp. (Liberty Apple Valley) to provide their comments on any portion of this Cost of Capital Application No. 18-05-006, before a CPUC Administrative Law Judge (Judge).

The hearing will be facilitated by the CPUC Judge that is presiding over this proceeding. All public comments from the PPH will be included in the formal record of this application and become public record. One or more Commissioners may attend, but no decisions will be reached at this hearing. The hearings' location is wheelchair accessible. If you need a language or Sign interpreter or would like to request assisted listening devices, please contact the CPUC's Public Advisor's Office (PAO) at the address listed at the bottom of this notice at least five days in advance of the hearing date. If you cannot attend the PPH you may submit your comments via a letter or email.

PROCEEDING INFORMATION

On May 1, 2018, Liberty Apple Valley filed Application A.18-05-006 with the CPUC requesting authority to decrease its authorized cost of capital and rate of return. This application covers the years 2019, 2020 and 2021. Liberty Apple Valley's application requests a decrease to the authorized rate of return from the current 9.07% to 8.11%. If the CPUC approves this request, Liberty Apple Valley's revenues would decrease by \$1,190,000 or 4.27% beginning January 1, 2019.

Customer Class	Current Revenue	Proposed Decrease		Proposed Revenue
		\$	%	
Residential	\$18,716,798	(\$804,111)	(4.30)%	\$17,912,688
Business	\$4,702,385	(\$196,581)	(4.18)%	\$4,505,804
Industrial	\$5,552	(\$244)	(4.39)%	\$5,308
Public Authority	\$1,354,558	(\$54,475)	(4.02)%	\$1,300,083
Private Fire Service	\$474,048	(\$19,382)	(4.18)%	\$454,216
Irrigation Public Authority	\$139,000	(\$6,102)	(4.39)%	\$132,897
Irrigation Pressure	\$1,483,353	(\$60,128)	(4.05)%	\$1,423,225
Irrigation Gravity	\$226,693	(\$5,014)	(2.21)%	\$221,679
Temporary Construction	\$224,316	(\$9,857)	(4.39)%	\$214,459
Yermo - Residential	\$344,113	(\$18,427)	(5.35)%	\$325,686
Yermo - Business	\$102,888	(\$6,888)	(6.69)%	\$96,001
Yermo – Public Authority	\$118,690	(\$8,341)	(7.01)%	\$110,619
Total Water Revenues	\$27,892,665	(\$1,190,000)	(4.27)%	\$26,702,665

The table below shows the proposed rate impacts in 2019 on the average residential customer's bi-monthly (every two months) bill using 23.09 hundred cubic feet (Ccf) of water with a 5/8 inch x 3/4 inch meter. Liberty Apple Valley is not requesting additional increases in the Cost of Capital for 2020 and 2021. The table excludes applicable taxes and surcharges.

Rate Impact on Average Residential Customer's Bill

	Present Bi- Monthly Bill	Proposed Decrease	Proposed Bi-Monthly Bill	Proposed Decrease %
5/8 inch x 3/4 inch meter	\$157.72	\$(6.93)	\$150.79	(4.39)%

OBTAINING A COPY OF THE APPLICATION AND MORE INFORMATION

A copy of Liberty Apple Valley's Application No. 18-05-006 and related exhibits are available for review at the Liberty Apple Valley Office located at 21760 Ottawa Road, Apple Valley, CA 92308. If you need additional information, you may visit <https://libertyutilities.com> or call (760) 247-6484. The application may also be viewed at the CPUC's Central Files Office by appointment. For more information, contact aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS

This application has been assigned to a 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 will 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 proposed decision which may adopt all or part of Liberty Apple Valley's request, modify, or deny the application. Any of the five CPUC Commissioners may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted on at a scheduled CPUC Voting Meeting.

The Public Advocates Office (Cal PA, formerly ORA) has reviewed this application on behalf of Suburban ratepayers. Cal PA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. Cal PA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about Cal PA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit Cal PA's website at www.publicadvocates.cpuc.ca.gov.

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:

CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
public.advisor@cpuc.ca.gov
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 Apple Valley CoC Application No. 18-05-006** 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 (APPLE VALLEY RANCHOS WATER) CORP.