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**NOTICE OF PROPOSED PURCHASE OF  
THE CITY OF PERRIS MUNICIPAL WATER SYSTEMS  
BY LIBERTY UTILITIES (PARK WATER) CORP.  
APPLICATION NO.18-05-011**

Dear City of Perris Water Customer:

On May 9, 2018, Liberty Utilities (Park Water) Corp. (Liberty Park Water) filed Application No. 18-05-011 with the California Public Utilities Commission (CPUC) requesting authority to purchase the City of Perris’s Municipal Water Systems (Perris MWS). The proposed sale is valued at \$11,500,000. The Perris MWS are currently in debt. Each year more money is spent operating the water system than the amount that is collected from customers. The City of Perris (City) General Fund pays for these deficits, which means there is less money for public services benefiting all City residents.

Liberty Park Water’s application is also requesting an interim rate plan for Perris customers during the first 10 years after the sale (Perris Interim Rate Plan). After the sale is completed, rates would be adjusted to the rates in effect for the Eastern Municipal Water District (EMWD)<sup>1</sup>. Under the interim rate plan, rates can be adjusted each year to match any increase by EMWD or 3.3%, whichever is greater. Future rates are also subject to changes in the supply mix necessary to reliably serve customers or changes in purchased water rates. The Perris Interim Rate Plan is designed so all water service provided within the City is similarly priced. When the Perris Interim Rate Plan ends, rates will be set by the CPUC in a future Liberty Park Water General Rate Case. Tables 1A and 1B show the rates proposed by the Perris Interim Rate Plan.

**PERRIS INTERIM RATE PLAN – PRESENT AND PROPOSED RATES**

**Table 1A – Commodity Rates**

<b>Tier Allocation</b>	<b>Perris Current Rates</b>	<b>2018 Proposed Rates Per Ccf</b>	<b>2019 Proposed Rates Per Ccf</b>	<b>2020 Proposed Rates Per Ccf</b>	<b>2021 Proposed Rates Per Ccf</b>	<b>2022 Proposed Rates Per Ccf</b>	<b>2023 Proposed Rates Per Ccf</b>	<b>2024 Proposed Rates Per Ccf</b>	<b>2025 Proposed Rates Per Ccf</b>	<b>2026 Proposed Rates Per Ccf</b>	<b>2027 Proposed Rates Per Ccf</b>
North	All Ccf										
Tier 1 (6.71 Ccf)	\$2.500	\$1.030	\$1.070	\$1.105	\$1.141	\$1.179	\$1.218	\$1.258	\$1.300	\$1.343	\$1.387
Tier 2 (33.55 Ccf)		\$3.350	\$3.430	\$3.543	\$3.660	\$3.781	\$3.906	\$4.035	\$4.168	\$4.306	\$4.448
Tier 3 (50.33 Ccf)		\$5.520	\$5.670	\$5.857	\$6.050	\$6.250	\$6.456	\$6.669	\$6.889	\$7.116	\$7.351
Tier 4 (>50.33 Ccf)		\$11.270	\$11.590	\$11.972	\$12.367	\$12.775	\$13.197	\$13.633	\$14.083	\$14.548	\$15.028
South	18Ccf										
Tier 1 (6.71 Ccf)	\$2.695	\$1.030	\$1.070	\$1.105	\$1.141	\$1.179	\$1.218	\$1.258	\$1.300	\$1.343	\$1.387
Tier 2 (33.55 Ccf)	\$5.155	\$3.350	\$3.430	\$3.543	\$3.660	\$3.781	\$3.906	\$4.035	\$4.168	\$4.306	\$4.448
Tier 3 (50.33 Ccf)		\$5.520	\$5.670	\$5.857	\$6.050	\$6.250	\$6.456	\$6.669	\$6.889	\$7.116	\$7.351
Tier 4 (>50.33 Ccf)		\$11.270	\$11.590	\$11.972	\$12.367	\$12.775	\$13.197	\$13.633	\$14.083	\$14.548	\$15.028

<sup>1</sup> All other City residents are provided water service by EMWD.

**Table 1B – Service Charges**

Meter Size	Perris Current Rates	2018 Proposed Rates Per Month	2019 Proposed Rates Per Month	2020 Proposed Rates Per Month	2021 Proposed Rates Per Month	2022 Proposed Rates Per Month	2023 Proposed Rates Per Month	2024 Proposed Rates Per Month	2025 Proposed Rates Per Month	2026 Proposed Rates Per Month	2027 Proposed Rates Per Month
5/8	\$9.10	\$15.00	\$16.20	\$16.74	\$17.29	\$17.86	\$18.45	\$19.06	\$19.69	\$20.34	\$21.01
3/4	\$11.90	\$15.00	\$16.20	\$16.74	\$17.29	\$17.86	\$18.45	\$19.06	\$19.69	\$20.34	\$21.01
1	\$18.40	\$21.00	\$22.50	\$23.24	\$24.00	\$24.79	\$25.61	\$26.45	\$27.32	\$28.23	\$29.16
1-1/2	\$36.90	\$60.60	\$65.40	\$67.55	\$69.78	\$72.08	\$74.45	\$76.91	\$79.45	\$82.07	\$84.78
2	\$75.90	\$94.80	\$102.30	\$105.68	\$109.17	\$112.77	\$116.49	\$120.33	\$124.30	\$128.40	\$132.63
3	\$97.90	\$186.00	\$200.70	\$207.32	\$214.16	\$221.23	\$228.54	\$236.08	\$243.87	\$251.92	\$260.24
4	\$119.90	\$288.60	\$311.40	\$321.68	\$332.30	\$343.27	\$354.59	\$366.29	\$378.37	\$390.86	\$403.76
6	\$163.65	\$573.60	\$618.90	\$639.32	\$660.42	\$682.22	\$704.74	\$727.99	\$752.02	\$776.84	\$802.48
8		\$915.60	\$987.90	\$1,020.50	\$1,054.18	\$1,088.97	\$1,124.91	\$1,162.03	\$1,200.38	\$1,239.99	\$1,280.91
10		\$1,371.60	\$1,479.90	\$1,528.74	\$1,579.19	\$1,631.30	\$1,685.13	\$1,740.74	\$1,798.19	\$1,857.53	\$1,918.82
12		\$1,927.80	\$2,079.90	\$2,148.54	\$2,219.44	\$2,292.68	\$2,368.34	\$2,446.50	\$2,527.23	\$2,610.63	\$2,696.78

**PERRIS INTERIM RATE PLAN - CUSTOMER IMPACT**

Table 2 below shows the monthly bill increase for the average residential customer with a 5/8 x 3/4 inch meter using 16.85 Ccf every month, each year during the 10-year Perris Interim Rate Plan.

**Table 2 – Average Residential Bill Increase**

	Perris Current Rates	2018 Proposed Bills Monthly	2019 Proposed Bills Monthly	2020 Proposed Bills Monthly	2021 Proposed Bills Monthly	2022 Proposed Bills Monthly	2023 Proposed Bills Monthly	2024 Proposed Bills Monthly	2025 Proposed Bills Monthly	2026 Proposed Bills Monthly	2027 Proposed Bills Monthly
<b>NORTH Average Monthly Residential Bill</b>	\$51.22	\$55.88	\$58.16	\$60.08	\$62.05	\$64.11	\$66.22	\$68.41	\$70.67	\$73.01	\$75.41
<b>SOUTH Average Monthly Residential Bill</b>	\$54.51	\$55.88	\$58.16	\$60.08	\$62.05	\$64.11	\$66.22	\$68.41	\$70.67	\$73.01	\$75.41
<b>Proposed Rate Increase</b>		\$4.66	\$2.28	\$1.92	\$1.97	\$2.06	\$2.11	\$2.19	\$2.26	\$2.34	\$2.40
<b>Percent Increase</b>		9.09%	4.08%	3.30%	3.28%	3.32%	3.29%	3.31%	3.30%	3.31%	3.29%

**REASONS FOR SALE**

Liberty Park Water feels the sale is in the best interest of the Perris MWS customers for the following reasons:

- Sale proceeds will be used to pay off millions of dollars in the City of Perris debt,
- Any remaining funds will go towards amenities in the City of Perris, such as athletic fields and parks,
- The City of Perris will no longer pay any annual deficit the water system may encounter,
- Transition to a local and qualified water utility company,
- Liberty Park Water will partner and work with the City of Perris to provide high quality and reliable water service and maintain and improve the water system,
- Liberty Park Water has a proven track record of quality, financial stability and works with the communities it serves, and
- Liberty Park Water will promote water conservation and community education on the value of water.

## **OBTAINING A COPY OF THE APPLICATION**

If you would like to obtain a copy of the Liberty Park Water's Request to Purchase Perris MWS Application No. 18-05-011, please contact one of the two entities listed below.

Edward N. Jackson  
Liberty Utilities (California)  
[Edward.Jackson@libertyutilities.com](mailto:Edward.Jackson@libertyutilities.com)  
(562) 923-0711

Office of the City Clerk  
City of Perris  
[cityclerk@cityofperris.org](mailto:cityclerk@cityofperris.org)  
(951) 657-1087

A copy of Application No. 18-05-011 and related exhibits are available for review at Liberty Park Water, 9750 Washburn Road, Downey, CA 90241. If you need additional information, you may visit <https://libertyutilities.com> or call 1 (760) 247-6484. The application may also be reviewed at the City of Perris, 101 N. D Street Perris, California 92570. In San Francisco the application may be reviewed at the CPUC's Central Files Office by appointment. For more information, contact [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or 1 (415) 703-2045.

## **CPUC PROCESS**

This application has been 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) has reviewed 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 1 (415) 703-1584, email [ora@cpuc.ca.gov](mailto: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](mailto: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 Purchase of Perris MWS Application No. 18-05-011** in any communications with the CPUC regarding this matter. 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.**