

Docket	:	<u>A.24-01-002 et al</u>
Exhibit Number	:	<u>Cal Adv - #</u>
Commissioner	:	<u>Darcie L. Houck</u>
Administrative Law Judge	:	<u>Margery L. Melvin</u>
Public Advocates Office	:	<u>Chris Ronco</u>
Witness(es)	:	_____



**PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**REPORT
ON
SALES & REVENUES, RATE DESIGN
AND BAMA**

San Francisco, California
July 24, 2024

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1 **MEMORANDUM**

2 The Public Advocates Office at the California Public Utilities Commission (“Cal
3 Advocates”) examined application material, data request responses, and other
4 information presented by Liberty Utilities Apple Valley Ranchos Water Corp (“AVR”)
5 and Liberty Utilities Park (“Park”) in Application (“A.”) 24-01-002 et al. to provide the
6 California Public Utilities Commission (“Commission” or “CPUC”) with
7 recommendations in the interests of ratepayers for safe and reliable service at the lowest
8 cost. Chris Ronco prepared this report under the general supervision of Program Manager
9 Richard Rauschmeier, Program & Project Supervisor Hani Moussa, and Project Lead
10 Suliman Ibrahim. Peter Chau is Cal Advocates’ legal counsel.

11 Although every effort was made to comprehensively review, analyze, and provide
12 the Commission with recommendations on each ratemaking and policy aspect presented
13 in the Application, the absence from Cal Advocates’ testimony of any particular issue
14 connotes neither agreement nor disagreement of the underlying request, methodology, or
15 policy position related to that issue.

16

1 **CHAPTER 1 - SALES & REVENUES**

2 **I. INTRODUCTION**

3 This chapter presents Cal Advocates’ analysis and recommendations for
4 forecasting AVR’s and Park’s water sales and revenues. An accurate water sales forecast
5 is vital, since any over or under forecasts lead to inaccurate customer rates that may result
6 in under or over collection of revenue. In developing its recommendations, Cal
7 Advocates reviewed Results of Operation, testimony, historical data, and data requests
8 responses.

9 **II. SUMMARY OF RECOMMENDATIONS**

10 The Commission should adopt the following recommendations for AVR and
11 Park’s sales and operating revenues Test Year (“TY”) 2025 forecast:

- 12 • A 5-year average customer growth forecast for all customer classes,
13 unless there is historically no growth.
- 14 • A 5-year weighted average forecast for sales per customer for all
15 customer classes.
- 16 • \$30,796,910 for TY operating revenue forecast at present rates for
17 AVR.
- 18 • \$42,803,497 for TY operating revenue forecast at present rates for Park.
- 19 • \$162,688 for TY miscellaneous revenues for AVR.
- 20 • \$2,853,317 for TY miscellaneous revenues for Park.

21
22 These recommendations serve as a remedy to correct the flaws in Liberty’s
23 methodology for forecasting revenues and errors in its application.

24 **III. ANALYSIS**

25 Liberty proposes a total revenue TY forecast of \$30,624,132 at present rates for
26 AVR¹ and \$41,945,215 for Park.² These forecasts consist of both operating revenues and

¹ AVR Workpapers, Section 1 “Summary of Earnings”, at 1-3.

² Park Workpapers, Section 1 “Summary of Earnings”, at 1-1.

1 miscellaneous revenues. Operating revenues are the sum of the revenues collected from
2 service and quantity charges across all customer classes. Miscellaneous revenues refer to
3 the total of the various sources of non-operating revenue sources. *Section A* of this
4 chapter discusses operating revenues, while *Section B* focuses on miscellaneous revenues.

5 **A. Operating Revenues**

6 An operating revenue forecast at present rates is a direct result of the customer and
7 sales forecast. Liberty’s operating revenue is collected from sales to 16 different
8 customer classes in AVR and 12 customer classes in Park.

9 Revenue collected from a customer class is recovered via fixed and quantity
10 charges.³ Liberty multiplies the forecast number of customers by the current fixed rates
11 to calculate its fixed revenue forecast. The quantity revenue is forecasted sales times the
12 current quantity rates. The quantity rate is a Single Quantity Rate (“SQR”) for all
13 customers except residential, who are under an increasing three block rate design.⁴ Issues
14 with Liberty’s proposed revenue forecast at present rates arise from flaws in the customer
15 count and sales per customer forecast for multiple customer classes.

16 **1. Customer Count Forecast**

17 Liberty forecasts customer growth for its 28 classes using several different
18 methods. For all classes except for 6, Liberty deviates from the Rate Case Plan (“RCP”)
19 approved forecast method of a 5-year average for customer growth.⁵ The specific
20 methods for each customer class are shown in Attachment 1-1.⁶

³ Liberty currently recovers 40% of its operating revenues from fixed charges and 60% from quantity charges.

⁴ SQR is equal to the revenue divided by sales. For more on rate design recommendations, see Chapter 2.

⁵ D.07-05-062, at A-23.

⁶ Attachment 1-1: Liberty’s Response to Cal Advocates Data Request CR-005 and 017-CR, “Q2 – CR-005 00 FINAL AVR Forecast”, tab: “CustFcast Method” and “Q2 – 017-CR FINAL PARK Forecast”, tab “CustFcast Method”.

1 The RCP allows for deviation from a 5-year average if an unusual event occurs.⁷
2 Liberty provides no evidence such an unusual event occurred or is expected to occur. On
3 the contrary, Liberty claims for its AVR residential customers “the five-year average
4 customer growth over the period from 2018 to 2022 was 116 residential customers per
5 year. Liberty Apple Valley expects this trend to continue and utilizes an economic model
6 for this rate case cycle (2025-2028).”⁸ Despite Liberty believing the 5-year average
7 growth rate for AVR residential customers as an appropriate estimate of future growth,
8 the utility is still proposing another forecast method.

9 Recent acquisitions of neighboring water systems may affect customer growth
10 calculations unless adjusted. For example, AVR acquired Yermo Water Company in
11 October 2015.⁹ Park acquired the Mesa Crest Water Crest Water Company in July
12 2019.¹⁰ However, Liberty forecasts the acquired customers separately, as shown in its
13 workpapers.¹¹ Thus, the acquired customers do not have any effect on the recorded
14 customer numbers and previous acquisitions do not affect the 5-year average growth rate.

15 Liberty proposes no growth for several customer classes which saw little to no
16 change over the 5-year period of 2018-2022.¹² These customer growth forecasts appear
17 reasonable because they are supported by the recorded customer count historical data.
18 However, three of these classes are the Mesa Crest Residential, Mesa Crest Business and
19 Mesa Crest. A 5-year average growth forecast is impossible to consider for the Mesa
20 Crest customers because Liberty does not have sufficient data on how many customers

⁷ D.07-05-062, at A-23.

⁸ A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 28.

⁹ A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 28.

¹⁰ A.24-01-002, Exhibit B Park Revenue Requirement Report, at 28.

¹¹ A.24-01-002 and A.24-01-003, Section 2 Workpapers, at 2-1.

¹² Attachment 1-1: Liberty’s Response to Cal Advocates Data Request CR-005 and 017-CR, “Q2 – CR-005 00 FINAL AVR Forecast”, tab: “CustFcast Method” and “Q2 – 017-CR FINAL PARK Forecast”, tab “CustFcast Method”.

1 were residential, business, or private fire.¹³ As a result, Liberty proposes no growth for
 2 these classes.

3 **Table 1-1** below shows Cal Advocates’ recommended forecast methodology for
 4 every Liberty customer class, the resulting growth rate, and the TY customer count
 5 forecast. Cal Advocates’ recommendation applies annual data for years 2018-2023.¹⁴

6
 7

Table 1-1: Recommended TY Customer Count Forecast

Customer Class	Method	Growth	TY Forecast
AVR ¹⁵			
Residential	5-year avg.	100	19,257
Business	5-year avg.	7	1,437
Industrial	No Growth	0	2
Pb. Authority	No Growth	0	42
Prv. Fire Service	5-year avg.	2	244
Irrigation Pressure	No Growth	0	156
Irrigation Gravity	No Growth	0	1
Temporary	5-year avg.	1	20
Yermo Residential	5-year avg.	2	258
Yermo Business	5-year avg.	1	29
Yermo Public Authority	No Growth	0	1
Yermo Hydrants	No Growth	0	1
Park			
Residential Bi-Monthly	5-year avg.	51	25,643
Business Bi-Monthly	5-year avg.	-5	1,651
Business Monthly	5-year avg.	3	68

¹³ A.24-01-002, Exhibit B Park Revenue Requirement Report, at 43.

¹⁴ 2023 customer data was provided by Liberty in the proceeding’s 100-Day Update.

¹⁵ All AVR customers, except Yermo customers, are billed bi-monthly (once every two months).

Industrial Bi-Monthly	No Growth	0	1
Industrial Monthly	No Growth	0	3
Pb. Authority Bi-Monthly	5-year avg.	-2	129
Pb. Authority Monthly	5-year avg.	-1	56
Prv. Fire Service Bi-Monthly	5-year avg.	0	47
Prv. Fire Service Monthly	5-year avg.	0	152
Fire Hydrants Bi-Monthly	No Growth	0	11
Resale	No Growth	0	4
Temporary Monthly	5-year avg.	0	6
Reclaimed	No Growth	0	27
Mesa Crest Residential	No Growth	0	671
Mesa Crest Business	No Growth	0	53
Mesa Crest Prv. Fire	No Growth	0	3

1
2 The Commission should adopt Cal Advocates’ customer forecast which employs
3 either the 5-year average growth rate or no growth when applicable, in accordance with
4 the RCP.¹⁶

5 **2. Sales per Customer**

6 The second component for forecasting revenues at present rates is the sales per
7 customer forecast. Liberty uses several different methods to forecast future sales,
8 depending on the customer class.¹⁷ In 15 instances, Liberty proposes a modified version
9 of the “New Committee Method (“NCM”). The NCM is a multivariable regression
10 forecast model using time, average monthly temperature, and monthly rainfall as
11 independent variables to predict future sales per customer.¹⁸ The modifications to the

¹⁶ Recommend customer count forecast for escalation years are included in Cal Advocates Workpapers.

¹⁷ Attachment 1-2: Liberty’s Response to Cal Advocates Data Request CR-005 and 017-CR, “Q2 – CR-005 00 FINAL AVR Forecast”, tab: “UseFcast Method” and “Q2 – 017-CR FINAL PARK Forecast”, tab: “UseFcast Method”.

¹⁸ Time in the NCM model is a whole number variable representing how far in the past or in the future the

1 regression include class specific rates, a logarithmic scale, and binary variables
2 accounting for COVID-19 or conservation months, depending on which customer class
3 Liberty is forecasting sales for.¹⁹ The NCM regresses its three independent variables
4 back 120 months to establish a statistical relation between those variables and the amount
5 of water Liberty sold to ratepayers in each month.²⁰ Liberty’s modified NCM sales per
6 customer forecast is inappropriate to use in this GRC because:

- 7 • the regressions contain multiple errors that skew the results.
- 8 • Liberty does not know monthly customer water use.
- 9 • the Commission made significant developments in improving sales
10 forecast methodology that the NCM does not incorporate.

11
12 Regression Errors

13 Liberty makes several errors in its regressions that contradict statements
14 throughout its application, as well as skew the results of its sales forecast. No COVID-19
15 binary variable is in the Park residential customer regression.²¹ With no inclusion of the
16 variable and not removing the pandemic months from the regression data, Liberty is
17 unable to account for the effect the COVID-19 pandemic had on residential Park sales.
18 This contradicts claims in its testimony that the forecast “includes rainfall, temperature,
19 rate impact, monthly dummies, COVID-19 pandemic, and conservation dummies”.²²

20 Liberty also removed random monthly binary variables for several regressions.
21 For example, Liberty does not include a binary variable to indicate when the data is for
22 December in its AVR residential regression.²³ January, February, and December are

month data point is.

¹⁹ A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 30.

²⁰ D.07-05-062, at A-23.

²¹ Attachment 1-3: Liberty’s Response to Cal Advocates Data Request 017-CR, “Q2 a-01 – 017-CR PW Residential Forecast”, tab: “UPC Reg Data”.

²² A.24-01-002, Exhibit B Park Revenue Requirement Report, at 33.

²³ Attachment 1-4: Liberty’s Response to Cal Advocates Data Request CR-005, “Q2 – CR -005 AVR Residential Forecast”, tab: “UPC Reg Data”.

1 missing for Liberty’s Park residential regression.²⁴ The exclusion of months severely
2 weakens the validity of Liberty’s NCM result. Not establishing the statistical relationship
3 for specific monthly rainfall, temperature, and sales means Liberty’s regression model is
4 unable to predict future sales for those months based on past usage patterns. By
5 removing these variables, Liberty invalidates these models’ results.

6
7 No Actual Recorded Monthly Sales

8 Even if Liberty were to correct the errors in its regressions, the modified NCM it
9 uses would produce an unreasonable sales forecast. After months of waiting for Liberty
10 to provide 2023 monthly sales data, it is now evident Liberty cannot use the NCM
11 correctly because of the utility’s current billing system.²⁵ Liberty was unable to provide
12 monthly sales data because Liberty does not have actual monthly sales for customers it
13 bills bi-monthly.²⁶ Most of Liberty’s customer classes are billed bi-monthly, including
14 those sales Liberty forecasts using the NCM modified regression. However, the NCM
15 requires monthly sales data to function properly. It is unclear whether Liberty arbitrarily
16 separates the two-month total of sales into two months or lumps the total into one month.
17 Regardless, either method would erroneously attribute the recorded monthly temperature,
18 rainfall, and time period to an inaccurate monthly sales amount.

19 Liberty is essentially using estimated monthly sales to estimate future sales per
20 customer. Without full knowledge of the actual monthly sales, there is no historical base
21 to establish a relationship between the NCM’s independent variables (represent monthly

²⁴ Attachment 1-3: Liberty’s Response to Cal Advocates Data Request 017-CR, “Q2 a-01 – 017-CR PW Residential Forecast”, tab: “UPC Reg Data”.

²⁵ Attachment 1-1: Liberty’s Response to Cal Advocates Data Request CR -005, Q.3. and Liberty’s Response to Cal Advocates Data Request 017-CR, Q.3.

²⁶ Attachment 1-5: Liberty’s Response to Cal Advocates Data Request 026-CR, “Q2 026-CR AVR”, “Q2 026-CR PW”, tab: “Residential”. The attachment shows the 2023 billing data for 8 different residential ratepayers for both AVR and Park, demonstrating Liberty does not have the monthly data for all residential customers.

1 periods of time) and sales (reported bi-monthly). As used by Liberty in this proceeding,
2 the NCM is not a reasonable forecasting methodology.

3 Commission Sales Forecast Requirements

4 Regardless of whether Liberty was able to correct the multiple errors in its use of
5 the NCM methodology, the Commission has made advances in sales forecast
6 requirements that make the NCM outdated.

7 As part of R.17-06-024, the Commission established the following factors utilities
8 must consider when developing forecasts:²⁷

- 9 a) Impact of revenue collection and rate design on sales and revenue
10 collection.
- 11 b) Impact of planned conservation programs.
- 12 c) Changes in customer counts.
- 13 d) Previous and upcoming changes to building codes requiring low flow
14 fixtures and other water-saving measures as well as any other
15 relevant code changes.
- 16 e) Local and statewide trends in consumption, demographics, climate
17 population density and historic trends by ratemaking area.
- 18 f) Past sales trends.

19
20 These factors serve to improve sales forecast accuracy and establish more uniform
21 standards among water utilities.²⁸ Additionally, the Commission concluded forecasts
22 must include drought year sales data in forecasts since “drought is the new normal in
23 California.”²⁹ Liberty’s proposed NCM forecast contravenes the Commission’s goals by
24 removing drought mandated months.

25 Liberty does not explain how its NCM incorporates these six factors. This is
26 because its NCM does not incorporate these factors. The non-modified multivariable
27 regression model only attempts to use time, temperature, and rainfall for predicting sales.

²⁷ D.20-08-047 at 106.

²⁸ D.20-08-047 at 17.

²⁹ D.20-08-047 at 18.

1 Liberty’s modified version selectively accounts for other factors such as COVID-19 and
2 customer class rates, depending on the customer class.

3 Liberty’s proposed method fails to reliably consider all the factors it supposedly
4 intended to account for. Moreover, Liberty’s proposed method introduces unnecessary
5 increases uncertainty by using estimates as the basis for its monthly sales data. The
6 Commission should reject Liberty’s proposed forecast as the proposed method fails to
7 consistently consider all relevant variables and is not compatible with Liberty’s own
8 billing system.

9

10 Recommended Sales Forecast Method: 5-year Weighted Average

11 A sales forecast method such as an average of annual sales does consider these
12 factors because it uses the resulting total sales as its variables, as opposed to attempting to
13 establish specific relationship with a narrow set of variables as the NCM does. These
14 resulting annual totals are a product of the factors the Commission requires for
15 consideration in forecasts.

16 A weighted average of annual sales emphasizes most recent sales to best capture
17 recent trends, while giving less weight to less recent sales. This is important to consider,
18 especially with the COVID-19 pandemic affecting sales patterns in 2020 and 2021.
19 Though the exact effect of the pandemic on sales is incalculable, the logical result of
20 “stay-at-home” orders should be increased residential sales. **Table 1-2** shows the sales
21 per residential customer in AVR and Park.

22

Table 1-2: Sales per Residential Customers (CCF)³⁰

System	2018	2019	2020	2021	2022	2023
AVR	143	137	149	151	141	132
Park	114	106	115	115	107	103

23

³⁰ A.24-01-002 and A.24-01-003 Section 3 Workpapers, at 3-2. Liberty’s Response to Cal Advocates Data Request 026-CR, “Q2 026-CR AVR”, “Q2 026-CR PW”.

As shown above, sales decreased after an increase in 2020 and 2021. Attributing more value to more recent data would best account for the rebound after the pandemic, while also considering any permanent effects on usage it may have caused. Hybrid work models are a common practice for California business after the pandemic and are likely to stay.³¹ Such a change in ratepayer lifestyle would affect the distribution of Liberty’s sales between residential and business which an average of annual sales captures. The Commission should use the following formula to forecast sales per customer for each of Liberty’s customer classes:

TY Sales per Customer

$$= \frac{(Sales_{2023} * 5) + (Sales_{2022} * 4) + (Sales_{2021} * 3) + (Sales_{2020} * 2) + (Sales_{2019} * 1)}{(5 + 4 + 3 + 2 + 1)}$$

2023 sales data provided in the 100 Day Update may appear to imply Liberty’s forecast method is sound. The sales per customer reported in 2023 is closer to Liberty’s forecast for many of its customer classes compared to the weighted 5-year average of 2018-2022 data. **Table 1-3** below compares AVR and Park residential sales per customers.

Table 1-3: Comparison of Recorded 2023 Sales (CCF/customer)³²

Customer Class	Recorded 2023	Liberty Forecast	2018-2022 Weighted Avg.
AVR Residential	132.38	136.90	144.89
Park Residential	102.64	109.13	111.07

³¹ <https://www.ppic.org/blog/remote-work-is-here-to-stay/>.

³² Attachment 1-6: Liberty 100 Day Update, Files “00 FINAL AVR Forecast” and “00 FINAL PARK Forecast”, tab “Annual Use”.

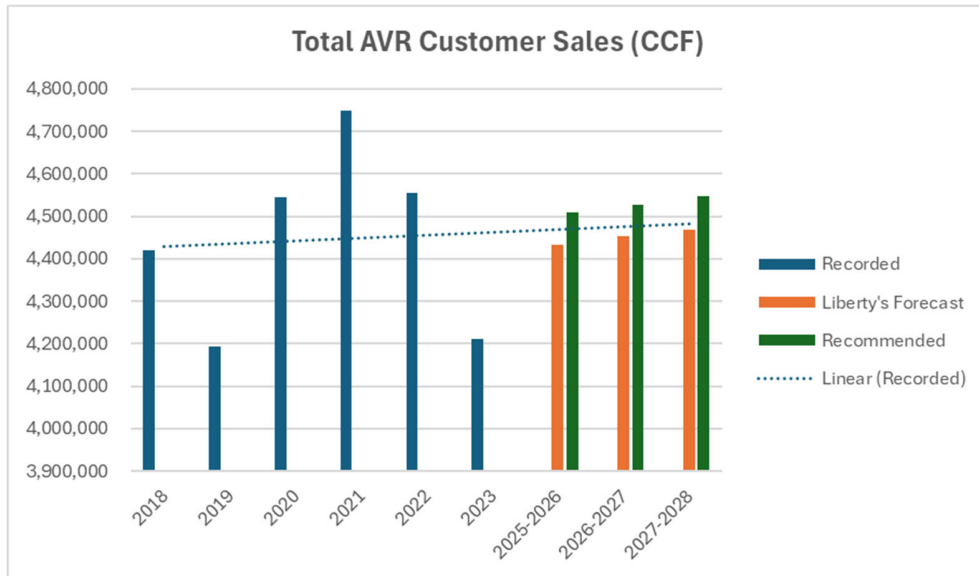
Pb. Authority	5,128.24	5,101.88	-0.51%
Prv. Fire Service	10.04	11.44	13.94%
Irrigation Pressure	5,185.74	2,663.94	-48.63%
Irrigation Gravity	1,237.56	1,177.79	-4.83%
Temporary	509,662.30	515,704.90	1.19%
Yermo Residential	673.48	780.04	15.82%
Yermo Business	91.80	94.58	3.03%
Yermo Public Authority	222.07	231.22	4.12%
Yermo Hydrants	2,132.74	3,062.73	43.61%
Park			
Residential Bi-Monthly	104.34	108.15	3.65%
Business Bi-Monthly	376.99	414.73	10.01%
Business Monthly	4322.59	4262.98	-1.38%
Industrial Bi-Monthly ³⁶	113.05	7503.68	6537.49%
Industrial Monthly	6556.99	7503.69	14.44%
Pb. Authority Bi-Monthly	286.64	293.95	2.55%
Pb. Authority Monthly	2715.60	2707.37	-0.30%
Prv. Fire Service Bi-Monthly	0.51	1.24	143.14%
Prv. Fire Service Monthly	17.06	12.41	-27.26%
Fire Hydrants Bi-Monthly	0.11	0.11	0.00%
Resale	0.40	2.00	400.00%
Temporary Monthly	329.81	281.40	-14.68%
Reclaimed	4246.12	4020.83	-5.31%
Mesa Crest Residential	188.71	248.77	31.83%
Mesa Crest Business	1604.45	2598.93	61.98%

³⁶ Large difference is due to Liberty's inconsistent labeling of industrial customers either being monthly or bi-monthly. The same usage is recommended for both classes.

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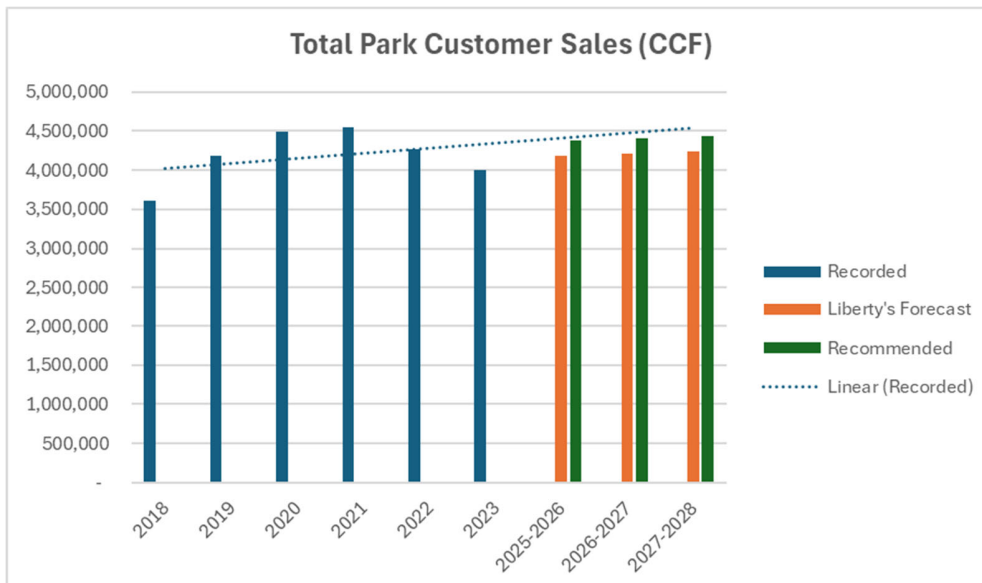
The Commission should adopt Cal Advocates' sales per customer forecasts. Multiplying the recommended customer counts and the sales per customer results in the recommended total sales forecasts. **Figure 1-1** below compares this recommended sales forecast with AVR's proposed, and with the most recent 5 year recorded. **Figure 1-2** does the same but with Park's sales.

Figure 1-1: Trend of AVR Recorded Sales Compared with Forecasts



8
9

Figure 1-2: Tend of Park Recorded Sales Compared with Forecasts



10

1 Cal Advocates’ forecast better matches the trendline of recorded sales, and
 2 forecasts 227,773 more CCFs of water use combined between the TY and two escalation
 3 years for AVR and 589,153 CCFs for Park.

4 At present rates, Cal Advocates sales forecast results in \$30,796,910 operating
 5 revenues for AVR and \$42,803,497 for Park. The Commission should adopt these
 6 revenues instead of Liberty’s proposed amounts which will lead to rates being higher
 7 than necessary.

8 **B. Miscellaneous Revenues**

9 Liberty’s miscellaneous revenues are alternative revenue sources not directly
 10 related to providing water to its ratepayers. These revenues are reductions to the total
 11 revenue requirement that must be recovered from water sales Therefore, any under-
 12 forecasting leads to customer rates being higher than necessary. **Table 1-5** below breaks
 13 down Liberty’s miscellaneous revenues.

14 **Table 1-5: Liberty Miscellaneous Revenue Forecast**

Revenue Source	TY Amount
AVR ³⁷	
Miscellaneous Service ³⁸	\$37,361
Late Fees	\$33,545
Excess Capacity	\$55,000
TOTAL	\$126,406
Park ³⁹	
Miscellaneous Service	\$142,164
Late Fees	\$91,143
Excess Capacity	\$55,000

³⁷ AVR Workpapers, Section 2 “Customers, Revenues & Rate Design”, at 2-90.

³⁸ Miscellaneous services include revenue from fire flow and reconnections.

³⁹ Park Workpapers, Section 2 “Customers, Revenues & Rate Design”, at 2-88.

TOTAL	\$288,807
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1
2 Liberty forecasts the TY miscellaneous service and late fee revenues using the 5-
3 year average (2018-2022) and the most recent year for excess capacity revenues.
4 However, there are flaws in Liberty’s calculations, resulting in under forecasts for the
5 reasons discussed below.

6 **1. Miscellaneous Service and Late Fees**

7 Liberty includes the years 2020 and 2021 in its calculations for its miscellaneous
8 service and late fee TY revenue forecasts. Including these years drastically skews the
9 resulting forecast due to the impact of the COVID-19 pandemic.

10 On March 17, 2020 California utilities were instructed to implement a
11 moratorium on disconnection and late payment fees due to the pandemic.⁴⁰ This
12 protection was in place through January 2022.⁴¹ The moratorium’s impact on revenues is
13 apparent in Liberty’s workpapers. Miscellaneous service revenues decreased by 79%
14 from 2019 to 2020 for AVR and 75% for Park.⁴² Late fees decreased 82% and 84%
15 respectively. To remedy Liberty’s flawed forecast method, the Commission should adopt
16 a five-year average using years 2017, 2018, 2019, 2022 and 2023. Cal Advocates
17 obtained the 2023 revenue data via the data request process because Liberty failed to
18 provide it in the proceeding’s 100-Day update filing.⁴³

19 **Table 1-6** compares the miscellaneous service and late fee revenues under
20 Liberty’s method with Cal Advocates’ revenue forecast.

21

⁴⁰ Attachment 1-8: Letter of CPUC Executive Director Alice Stebbins directing utilities to implement customer protections.

⁴¹ Attachment 1-9: Letter of the Office of the Attorney General.

⁴² AVR Workpapers, Section 2 “Customers, Revenues & Rate Design”, at 2-90 and Park Workpapers, Section 2 “Customers, Revenues & Rate Design”, at 2-88.

⁴³ Attachment 1-10: Liberty’s Response to Cal Advocates Data Request 026-CR, “Q1 026-CR AVR” and “Q1 026-CR PW”, tab: “Misc Rev”.

1

Table 1-6: Comparison of Miscellaneous Revenue Forecasts

Revenue Source	Liberty Forecast	Cal Advocates Forecast	Difference
AVR			
Miscellaneous Service	\$37,361	\$55,947	\$18,586
Late Fees	\$33,545	\$51,741	\$18,196
Park			
Miscellaneous Service	\$142,164	\$157,839	\$15,675
Late Fees	\$91,143	\$134,559	\$43,416
TOTAL	\$304,213	\$400,085	\$95,872

2

3 Liberty acknowledges the pandemic’s effect on revenues when it comes to sales,
4 but not when it is involved in calculating reductions to its requested rate increase on
5 ratepayers. The Commission should adopt Cal Advocates’ revenue forecast which saves
6 the ratepayers \$95,872.

7 **2. Excess Capacity**

8 Liberty refers to its third source of miscellaneous revenue as the “Excess
9 Capacity” account. This is commonly known as revenue from Non-Tariffed Products
10 and Services (“NTPS”). A utility may offer an NTPS if it meets conditions set forth by
11 the Commission and it must share the revenue between its ratepayers and shareholders
12 appropriately.⁴⁴

13 AVR and Park are engaged in a contract with the company HomeServe to market
14 its service line repair program to Liberty customers. Liberty receives a total annual
15 compensation of \$111,000 from HomeServe that it divides between AVR and Park
16 equally for NTPS revenue.

⁴⁴ D.12-01-042, Appendix A. Rule X.

1 Park has two additional NTPS revenues, operating the City of Bell Gardens' water
2 system and selling water to Suburban Water System ("Suburban") for its recently
3 acquired Sativa customers.

4 Liberty's contract with Bell Gardens expires on July 1, 2025 and the utility claims
5 it does not intend to renew.⁴⁵ However, Bell Gardens will pay Park \$19,666 per month
6 for providing the ordinary services of the contract through June 30, 2025.⁴⁶ This means
7 Liberty will receive 6 months of NTPS revenue from Bell Gardens totaling \$117,996. In
8 accordance with the Commission rules for sharing NTPS, the first \$100,000 is attributed
9 to ratepayers.⁴⁷ The remaining \$17,996 must be distributed 90% to shareholders and
10 10% to ratepayers due to the contracts being an active project.⁴⁸ The total of \$101,799
11 should be included in Liberty's TY miscellaneous revenues.

12 Liberty claims Park's NTPS contract to provide water to Suburban's Sativa water
13 system ("Sativa") is a passive contract so 30% of the revenue should be attributed to
14 ratepayers.⁴⁹ However, the nature of the contract directly violates the Commission's
15 requirements for an NTPS and harms not only Liberty ratepayers, but Suburban as well.

16 Park has supplied water to Sativa since January 2021.⁵⁰ The Sativa Revenue
17 Memorandum Account ("SRMA") tracks the net revenue from this contract and recovery
18 of it at the time of the contract expiration.⁵¹ Park is requesting recovery of the SRMA's
19 balance in this GRC, discussed in *Chapter 3*.⁵²

⁴⁵ A.24-01-002, Exhibit B Park Revenue Requirement Report, at 132.

⁴⁶ Attachment 1-11: Liberty's Response to Cal Advocates Data Request 027-CR, Q5c 027-CR Bell Gardens O&M Agreement, at 8.

⁴⁷ D.12-01-042, Appendix A. Rule X.C.5.

⁴⁸ D.12-01-042, Appendix A. Rule X.C.1

⁴⁹ Park Workpapers, Section 2 "Customers, Revenues & Rate Design", at 2-88.

⁵⁰ AL 321-W, at 2.

⁵¹ Park Preliminary Statement, KK.

⁵² A.24-01-002, Exhibit B Park Revenue Requirement Report, at 124.

1 Suburban acquired Sativa and all its assets in April of 2022.⁵³ After the
2 acquisition, Park continues to provide water for Sativa customers by selling to
3 Suburban.⁵⁴ This acquisition required Park to establish a new NTPS contract, changing
4 the receiving party from the County of Los Angeles Department of Public Works
5 (“LADPW”) to Suburban.⁵⁵ Additionally, starting in 2023 Suburban purchased water
6 from the City of Compton to supply its Sativa customers as well.⁵⁶

7 With the acquisition, the only change was the owner of the system. Park or
8 Suburban did not need to perform any capital improvements, since Sativa already
9 installed an emergency interconnection to Liberty’s system emergency interconnection in
10 2019.⁵⁷ However, with just the changing of the recipient of water from the LADPW to
11 Suburban, the Park monthly revenue went from \$116,400 for selling 37 Acre Feet (“AF”)
12 to \$126,000 for 35 AF.^{58 59} Liberty began to sell less water for more revenue. This is
13 because Liberty’s NTPS contract allows it to sell water at a price that is considered
14 anticompetitive, going against the Commission’s provisions for NTPS. The provisions
15 require.⁶⁰

16

⁵³ D.22-04-010.

⁵⁴ Attachment 1-12: Liberty’s Response to Cal Advocates Data Request 027-CR, Q5c 027-CR Suburban Service Agreement.

⁵⁵ AL 330-W.

⁵⁶ A.23-01-001, Cal Advocates Report and Recommendations on Operations and Maintenance Expenses, Administrative and General Expenses, Payroll, and Conservation, at 1-10.

⁵⁷ AL 321-W, at 1.

⁵⁸ Attachment 1-13: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR PW Sativa Revenue MA 2023.12.31”, tab: “2022”, cell: 22Q.

⁵⁹ Attachment 1-14: A.23-01-001, Suburban’s Response to Cal Advocates Data Request CR8-009, Q.1.

⁶⁰ D.12-01-042, Appendix A. Rule X.C.3.

- 1 a) The NTP&S utilizes a portion of the excess or unused capacity of a
2 utility asset or resource;
- 3 b) Such asset or resource has been acquired for the purpose of and is
4 necessary and useful in providing tariffed utility services;
- 5 c) The involved portion of such asset or resource may only be used to offer
6 the product or service on a non-tariffed basis without adversely
7 affecting the cost, quality or reliability of tariffed utility products and
8 services;
- 9 d) The products and services can be marketed with minimal or no
10 incremental ratepayer capital, minimal or no new forms of liability
11 or business risk being incurred by utility ratepayers, and no undue
12 diversion of utility management attention; and
- 13 e) The utility's offering of the NTP&S does not violate any California law,
14 regulation, or Commission policy regarding anticompetitive practices.

15 The rate of \$3,600 per acre foot Liberty sells water to Suburban is not a
16 competitive price. As mentioned, Suburban not only purchases water for its Sativa
17 customers from Liberty, but also from the City of Compton. The water from Compton
18 was at a rate of \$1,346 per acre foot, around 60% less than Liberty's.⁶¹ Suburban also
19 purchases water from the Metropolitan Water District of Southern California at a rate of
20 around \$1,200 per acre foot. It is apparent Park is selling water well above the standard
21 market price for the region to Suburban and violates provision e's prohibition against
22 anticompetitive practices.

23 This contract not only violates the Commission policy regarding anticompetitive
24 practices, but it also adversely affects the cost service for Suburban ratepayers. Suburban
25 must raise its revenue requirement higher than necessary to cover the anti-competitive
26 purchase water price from Park, violating provision c.

27 The full revenue amount Park received from supplying water to Suburban should
28 be returned to the ratepayers, instead of the proposed 30/70% split Park is requesting.
29 The contract between Liberty and Suburban directly violates the Commission's guidance

⁶¹ A.23-01-001, Cal Advocates Report and Recommendations on Operations and Maintenance Expenses, Administrative and General Expenses, Payroll, and Conservation, at 1-12.

1 on NTPS revenues and the ratepayers should not suffer. Fortunately, Park keeps vigilant
2 track of the revenues it takes from the Suburban ratepayers in its Suburban Revenue
3 Memorandum Account.⁶² Park failed to provide the balance of this account showing the
4 monthly transactions at Cal Advocates' request,⁶³ but annual revenues from the NTPS
5 were provided.⁶⁴ Park recovered a total of \$571,320 in revenues from selling water to
6 Suburban for its Sativa customers.⁶⁵ This balance should immediately go back to the
7 ratepayers in Park's miscellaneous revenues. Fortunately, Liberty expects Suburban to
8 find a new water source so the Suburban Revenue Balancing Account can be closed after
9 doing so.⁶⁶

10 In the event Park is incorrect in its assumption that Suburban finds a new source of
11 water by the TY,⁶⁷ the Commission should require a new contract between the two
12 Investor Owned Utilities ("IOU"). The new contract should set the new price charged to
13 Suburban as the per CCF rate the Commission adopts in the proceeding for all other
14 resale customers.

15 **IV. CONCLUSION**

16 Liberty's proposed revenue forecasts spread the costs of providing service over a
17 smaller amount of sales, while at the same time fail to reduce those costs by properly
18 accounting for its alternative revenue sources. **Table 1-7** below compares Liberty's
19 forecasting TY operating and revenues at present rates with the revenue forecasts
20 recommended by Cal Advocates which the Commission should adopt.

⁶² Park Preliminary Statement, NN.

⁶³ Attachment 1-15: Liberty's Response to Cal Advocates Data Request 027-CR, no data on the Suburban Revenue Memorandum Account was provided, despite being requested in "Attachment 2", tab: "Suburban Revenue MA".

⁶⁴ Attachment 1-16: Liberty's Response to Cal Advocates Data Request 027-CR, "Q5b 02-CR Park NTPS 2018-2023".

⁶⁵ Attachment 1-16: Liberty's Response to Cal Advocates Data Request 027-CR, "Q5b 02-CR Park NTPS 2018-2023".

⁶⁶ A.24-01-002, Exhibit B Park Revenue Requirement Report, at 132.

⁶⁷ Park Workpapers, Section 2 "Customers, Revenues & Rate Design", at 2-88.

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Table 1-7: TY Revenue Forecast Comparison⁶⁸

Revenue	Liberty's Proposed	Recommended	Difference
AVR			
Operating Rev.	\$30,497,726	\$30,796,910	\$299,184
Misc. Services	\$37,361	\$55,947	\$18,586
Late Fees	\$33,545	\$51,741	\$18,196
Excess Capacity	\$55,000	\$55,000	\$0
Park			
Operating Rev.	\$41,656,408	\$42,803,497	\$1,147,089
Misc. Services	\$142,164	\$157,839	\$15,675
Late Fees	\$91,143	\$134,559	\$43,416
Excess Capacity	\$55,000	\$728,119	\$673,119

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⁶⁸ All non-operating revenues are the same at present and proposed rates.

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LIST OF ATTACHMENTS FOR CHAPTER 1

(See Appendix B)

Attachment	Description
1.1	Liberty's Response to Cal Advocates Data Request CR -005, Q.3. and Liberty's Response to Cal Advocates Data Request 017-CR, Q.3.
1.2	Liberty's Response to Cal Advocates Data Request CR-005 and 017-CR, Q2 – CR-005 00 FINAL AVR Forecast
1.3	Liberty's Response to Cal Advocates Data Request 017-CR, Q2 a-01 – 017-CR PW Residential Forecast
1.4	Liberty's Response to Cal Advocates Data Request CR-005, Q2 – CR -005 AVR Residential Forecast
1-5	Liberty's Response to Cal Advocates Data Request 026-CR, Q2 026-CR AVR, Q2 026-CR PW
1-6	Liberty 100 Day Update, Files 00 FINAL AVR Forecast and 00 FINAL PARK Forecast
1-7	National Oceanic and Atmospheric Administration (“NOAA”) precipitation data for Downtown LA and Pearblossom
1-8	Letter of CPUC Executive Director Alice Stebbins directing utilities to implement customer protections
1-9	Letter of the Office of the Attorney General
1-10	Liberty's Response to Cal Advocates Data Request 026-CR, Q1 026-CR AVR and Q1 026-CR PW
1-11	Liberty's Response to Cal Advocates Data Request 027-CR, Q5c 027-CR Bell Gardens O&M Agreement, at 8.
1-12	Liberty's Response to Cal Advocates Data Request 027-CR, Q5c 027-CR Suburban Service Agreement
1-13	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW Sativa Revenue MA 2023.12.31
1-14	A.23-01-001, Suburban's Response to Cal Advocates Data Request CR8-009, Q.1
1-15	Liberty's Response to Cal Advocates Data Request 027-CR, no data on the Suburban Revenue Memorandum Account was provided, despite being requested in Attachment 2

Attachment	Description
1-16	Liberty's Response to Cal Advocates Data Request 027-CR, Q5b 02-CR Park NTPS 2018-2023

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2

1 **CHAPTER 2 - RATE DESIGN**

2 **I. INTRODUCTION**

3 This chapter presents Cal Advocates’ analysis and recommendations for Liberty’s
4 rate design and Customer Assistance Program (“CAP”). Rate design provides potential
5 for utilities to promote conservation and equity through rates while helping to ensure
6 recovery of the revenue requirement. In developing its recommendations, Cal Advocates
7 reviewed Liberty’s Results of Operation, testimony, historical data, and data requests
8 responses.

9 **II. SUMMARY OF RECOMMENDATIONS**

10 The Commission should adopt the following recommendations for Liberty’s rate
11 design and CAP program:

- 12 • Maintain the current 40%/60% revenue split between fixed and quantity
13 charges
- 14 • Use the Commission’s meter ratios in its Standard Practices to develop
15 AVR and Park’s fixed charges
- 16 • Maintain the current tier numbers and breakpoints for residential
17 customers.
- 18 • Decrease the tier 2 rate differential to 100% of the Single Quantity Rate
19 for residential AVR customers and increase the tier 3 rate differential to
20 193.72% of the SQR
- 21 • Decrease the tier 2 rate differential to 105.50% of the SQR for
22 residential Park customers and increase the tier 3 rate differential to
23 258.09% of the SQR.
- 24 • Increase the CAP surcredit for AVR and Park by the adopted revenue
25 requirement increase for this proceeding.
- 26 • Use updated CAP customer numbers and balancing account balances to
27 calculate AVR and Park CAP surcharges.

28 **III. ANALYSIS**

29 Liberty proposes two different scenarios for its rate design, contingent on whether
30 or not the Commission authorizes a previously disallowed memorandum account, the

1 Cost Revenue Balancing Account (“CRBA”).⁶⁹ In the event the Commission authorizes
 2 the CRBA, Liberty proposes a shift from recovering 40% of its revenue requirement⁷⁰ via
 3 fixed charges to 30%.⁷¹ This testimony will refer to this scenario as Liberty’s “proposed”
 4 rate design. If the Commission does not authorize the CRBA, as recommended, Liberty
 5 proposes a shift to recovering 50% of its revenue requirement via fixed charges.⁷² This
 6 scenario will be referred to as the “alternative” rate design. The two different scenarios
 7 include different changes to the tier rate differentials relative to Tier 2 rates, summarized
 8 in **Table 2-1**.⁷³

9 **Table 2-1: Liberty’s Residential Tier Rate Differential Changes**

	Current	Proposed	Alternative
AVR			
Tier 1	75%	95%	30%
Tier 2	100%	100%	100%
Tier 3	173%	165%	180%
Park			
Tier 1	75%	65%	30%
Tier 2	100%	100%	100%
Tier 3	169%	160%	180%

10
 11 Liberty is not proposing any changes to the tier widths of its rate design nor the
 12 number of tiers under the proposed and alternative scenarios. AVR’s tier 1 breakpoint is

⁶⁹ For more on Liberty’s request to establish the CRBA, see Chapter 3.

⁷⁰ Revenue requirement is the operating revenue at proposed rates.

⁷¹ A.24-01-002 and A.24-01-003, Exhibit H Testimony of T. Lyons, at 3.

⁷² A.24-01-002 and A.24-01-003, Exhibit H Testimony of T. Lyons, at 4.

⁷³ For residential customers, tiers are the range of CCF use for which a certain quantity charge is applied to a customer. For an increasing block rate structure like Liberty’s, the quantity charge increases when you move to the next tier.

1 set at 6 CCF and tier 2 at 27 CCF.⁷⁴ Park’s tier 1 breakpoint is set at 6 CCF and tier 2 at
2 18 CCF.⁷⁵ In both scenarios, Liberty proposes to change the calculation of fixed charge
3 revenues for AVR. Liberty proposes higher fixed rates for its AVR customers with
4 sprinkler systems, citing the incremental cost associated with installing larger meter sizes
5 as the need for the varying charges.⁷⁶

6 Liberty also proposes to increase its monthly CAP surcredit of \$10.00 for
7 participating customers by the increase in the adopted revenue requirement in this
8 proceeding.⁷⁷ This increase would require changes to the surcharges for AVR and Park.

9 **A. Revenue Allocation**

10 Liberty currently recovers 40% of its revenue from fixed charges and 60% from
11 quantity charges.⁷⁸ The Commission adopted this revenue split in Liberty’s previous
12 GRC, when the utility requested to change from 30/70 to 50/50.⁷⁹

13 In its application Liberty incorrectly bundles the need to adjust the revenue
14 allocation split with its request to establish the CRBA. The two issues are independent of
15 one another and should not be viewed as one issue. In fact, Liberty proposed the same
16 50/50 revenue split while it had the same mechanism in place in its previous GRC,
17 though under the name of the Water Revenue Adjustment Mechanism (“WRAM”).⁸⁰ In
18 this application, the utility is proposing a 50/50 revenue split under the alternative plan if
19 the mechanism is not authorized.⁸¹

⁷⁴ A.24-01-003, Exhibit H Testimony of T. Lyons, at 6.

⁷⁵ A.24-01-002, Exhibit H Testimony of T. Lyons, at 6.

⁷⁶ A.24-01-003, Exhibit H Testimony of T. Lyons, at 10.

⁷⁷ A.24-01-002 and A.24-01-003, Exhibit B Revenue Requirement Report, at 22.

⁷⁸ A.24-01-002 and A.24-01-003, Exhibit H Testimony of T. Lyons, at 3.

⁷⁹ Cal Advocates recommended a 35/65 split. See A.21-07-003, Public Advocates Report on Results of Operations Liberty Utilities (Apple Valley Ranchos and Park Water), *Chapter 17*.

⁸⁰ A.21-07-003, Cal Advocates Report on Results of Operations Liberty Utilities (Apple Valley Rancho Water) Corp., at 13-1.

⁸¹ A.24-01-002 and A.24-01-003, Exhibit H Testimony of T. Lyons, at 4.

1 The Commission should not adopt either of Liberty’s proposed changes to the
2 revenue allocation. Instead the Commission should maintain the current revenue
3 allocation split of 40% from fixed charges and 60% from quantity charges.

4 **1. Issues with 50/50 Revenue Allocation**

5 An increase to recovering 50% of its revenue requirement through fixed charges
6 would go against the Commission Standard Practices and contradict conservation rate
7 design practices.

8 The Commission Standard Practices has a set ceiling for how much of the revenue
9 requirement a water utility should recover via fixed charges. According to Standard
10 Practice U-7-W, fixed charges shall be set to recover up to 50% of a utility’s fixed
11 costs.⁸² 50% of AVR’s proposed fixed costs is \$9,790,930 and 50% of Park’s is
12 \$10,767,260.⁸³ **Table 2-2** below compares these totals with the 50% of the revenue
13 requirement amount Liberty is proposing.

14 **Table 2-2: Fixed costs and Liberty’s alternative fixed charge revenue**

	Total fixed costs	50% fixed costs	50% rev req.⁸⁴	Difference
AVR	\$19,581,859	\$9,790,930	\$16,216,269	\$6,425,339
Park	\$21,534,519	\$10,767,260	\$25,247,264	\$14,480,004

15 Under Liberty’s alternative rate design, the utility would recover approximately
16 \$20,000,000 more in revenues from fixed charges than allowed under the Commission’s
17 Standard Practices. A utility typically considers fixed costs when developing fixed
18 charges.⁸⁵ Liberty made no such consideration in its proposal to allocate 50% of its entire
19

⁸² Standard Practice U-7-W, at 3.

⁸³ Attachment 2-1: Liberty’s Response to Cal Advocates Data Request 027-CR, Q1a 027-CR Fixed Costs

⁸⁴ A.24-01-002 and A.24-01-003, Section 2 Workpapers, at 2-4.

⁸⁵ A.21-07-002, M. Cubed Reports on Conservation, Sales and Rate Design for California Water Service, Section III “Rate Design Analytics Report, at 6.

1 revenue requirement to fixed charges. This alternative rate design allocation would be
2 the equivalent of recovering 83% of fixed costs for AVR and 117% for Park.⁸⁶

3 In a study of California Water Services’ (“Cal Water”) rate design structure, the
4 consulting company M. Cubed found that even recovering more than 60% of fixed costs
5 through fixed charges resulted in disincentivizing water conservation, especially for rate
6 areas with a high percent of fixed costs.⁸⁷ A higher percent of fixed rates reduces the
7 variable cost of water, theoretically encouraging more water use. The 50%/50%
8 allocation between fixed and quantity charges is not appropriate for Liberty’s rate design.

9 **2. Issues with 30/70 Revenue Allocation**

10 Liberty proposes 30% recovery of revenues from fixed charges. This revenue
11 allocation, in tandem with Liberty’s proposed CRBA, is a complete regression of the
12 Commission’s previous decisions which helped resolve the catastrophically high amount
13 of WRAM surcharges ratepayers faced.

14 The Commission found that utilities should consider 40% of revenues from fixed
15 charges as an appropriate floor.⁸⁸ Any lower percentage may lead to more variability in
16 revenues. The Commission should not adopt Liberty’s proposed or alternative revenue
17 allocation plan, and instead require a continuation of its 40/60 allocation.

18 **B. AVR Rate Design**

19 **1. Fixed Rates**

20 AVR proposes to use the meter ratios in **Table 2-3** to calculate its fixed charges,
21 based on customer meter sizes.

⁸⁶ Attachment 2-1: Liberty’s Response to Cal Advocates Data Request 027-CR, Q1a 027-CR Fixed Costs.

⁸⁷ A.21-07-002, M. Cubed Reports on Conservation, Sales and Rate Design for California Water Service, Section III “Rate Design Analytics Report, at 6.

⁸⁸ D.16-12-026, at 88.

1

Table 2-3: AVR’s Proposed Fixed Charge Ratios

Meter Size	Ratio
5/8”	1.0
¾”	1.5
1”	2.5
1-1/2”	5.0
2”	8.0
3”	15.0
4”	25.0
6”	50.0
8”	80.0
10”	115.0

2

3

The Commission should adopt the above ratios, as they are in accordance with the Commission standards.⁸⁹ However, AVR also proposes separate charges for customers with a larger meter because they have a sprinkler system. Those additional ratios for the charges are shown below in **Table 2-4**.

6

7

Table 2-4: AVR’s Proposed Ratios for Customer Sprinkler Systems⁹⁰

Meter Size	Ratio
1” to 5/8” Sprinkler	1.0
1” to ¾” Sprinkler	1.5
1-1/2 to ¾” Sprinkler	1.5
2” to ¾” Sprinkler	1.5
1-1/2 to 1” Sprinkler	2.5
2” to 1” Sprinkler	2.5

8

⁸⁹ Standard Practice U-07-W, at 5.

⁹⁰ A.24-01-003, Section 2 Workpapers, at 2-4.

1 AVR states the fixed rates for the above ratios were developed based on the
2 incremental costs from installing the higher meter size.²¹ Liberty’s proposed deviation
3 from the Commission Standard Practices erroneously increases the fixed rate of
4 customers with sprinkler system. For example, a residential customer with a 5/8” meter
5 under Liberty’s proposed rates, goes from a fixed charge of \$40.13 to \$41.50.²²

6 AVR’s proposal to use separate charges for its customers because they only need a
7 larger meter for their fire sprinkler system is not in accordance with the Commission.
8 Standard Practice U-07-W states the purpose of the ratios for meter size is to “spread the
9 service charge over the meter sizes in proportion to the maximum capability of the meters
10 themselves to handle flows”.²³ This means the ratios are meant to account for maximum
11 flow capability of the customer’s meter. The reason for the maximum flow capability is
12 irrelevant to the calculation of the fixed customer rates. Therefore, the Commission
13 should not approve the separate fixed rates AVR proposes in **Table 2-4**.

14 **2. Tier Breakpoints**

15 AVR does not propose any change to the number nor width of its current tiers in
16 its increasing block rate structure for residential customers. This is an appropriate design,
17 as tier 1 is set at 6 CCF, to capture essential use.²⁴ Tier 3 is set to more than 26 CCF of
18 monthly use, set to capture 10.60% of residential use. The Commission should maintain
19 AVR’s three tiers and their breakpoints.

20 **3. Quantity Rates**

21 As shown in **Table 2-1**, AVR’s proposed residential rate design increases its tier 1
22 rate and decreases the tier 3 rate relative to tier 2 rates. Its alternate rate design decreases
23 tier 1 rates and increases tier 3 rates.

²¹ A.324-01-003, Exhibit H, Testimony of T. Lyons, at 11.

²² A.24-01-003, Section 2 Workpapers, at 2-4

²³ Standard Practice U-07-W, at 5.

²⁴ D.20-07-032, at 22.

1 The proposed and alternative tier differential changes are in conjunction with the
 2 corresponding revenue allocations discussed in *Section A* of this Chapter. Since the
 3 Commission didn't adopt either of these revenue allocation scenarios, neither of these tier
 4 rate differential changes should be adopted either. Additionally, AVR presents these tier
 5 rates as percentages of tier 2 rates.²⁵ This is not useful information because AVR's
 6 current, proposed and alternative tier 2 rates are not set at the Single Quantity Rate
 7 ("SQR"). The SQR is essential knowledge to determine revenue neutrality.²⁶ **Table 2-5**
 8 translates AVR's presented tier rate differentials to a percentage of its SQR.

9 **Table 2-5: SQR % Equivalent of Current AVR Tier Rates**

	% of Tier 2	% of SQR
Tier 1	75%	77.60%
Tier 2	100%	103.46%
Tier 3	173%	178.99%

10
 11 As shown above, AVR currently sets tier 2 rates slightly higher than the SQR.
 12 The SQR can be seen as the typical usage without any price signaling because the SQR is
 13 the forecasted revenues divided by quantity sales (i.e. average \$ per unit of water). It is
 14 standard for Class A water utilities to set the medium tier rate, either tier 2 for a 3-tiered
 15 block design or Tier 2 or 3 for a 4 tiered block design, to the SQR.²⁷ The lower tier
 16 differential is set below the SQR to encourage conservation, while the higher tier
 17 differential is set higher than the SQR. To promote conservation and benefit low water
 18 users, the Commission should adopt a tier 2 quantity rate set at 100% of AVR's SQR
 19 which, under the utility's present rates, is \$4.33495 per CCF.²⁸

²⁵ A.24-01-003, Exhibit H, Testimony of T. Lyons, at 13 and 18.

²⁶ Revenue neutrality is when the revenue a utility receives under a fixed single rate equals that under a block rate structure.

²⁷ D.24-04-042, Appendix 1, at 7.

²⁸ AVR's TY revenue forecast under its current rate design of \$11,471,467, divided by its proposed TY residential sales forecast of 2,646,342 CCFs.

1 **Table 2-6** proves AVR’s current rate design is revenue neutral with AVR’s
2 proposed rates.

3 **Table 2-6: Revenue Neutrality Check of Current AVR Rate Design**

	% of Usage⁹⁹	Tier CCF	Rate per CCF	Revenue
Tier 1	44.34%	1,173,352	\$3.36375	\$3,946,863
Tier 2	45.06%	1,192,528	\$4.48500	\$5,348,489
Tier 3	10.60%	28,0461	\$7.75905	\$2,176,115
AVR Residential TY Sales Forecast = 2,646,341 CCF				
Total Revenue Collected Under Current Rate Design				\$11,471,767
Residential Revenue Needed for Revenue Neutrality				\$11,471,767
Under/Over Collection				\$0

4
5 Revenue neutrality is essential for any rate design to maintain, otherwise a
6 difference in the revenue collected versus what the utility needs to collect will occur. The
7 recommendation to lower AVR tier 2 rates to the SQR must be coupled with an
8 additional adjustment of increasing either tier 1 or tier 3 rates.

9 The tier 1 rate differential should not increase. Keeping tier 1 rate differentials
10 lower benefits not only low water users, but also low-income ratepayers who use less
11 water than non-low income.¹⁰⁰ Therefore, the tier 3 rate differential must increase to
12 193.72% of the SQR to maintain revenue neutrality. **Table 2-7** presents the
13 recommended tier rate differentials with respect to the SQR and the resulting AVR
14 proposed rates.

15

⁹⁹ AVR Workpapers, Section 2 “Customers, Revenues & Rate Design”, at 2-60.

¹⁰⁰ Attachment 1-5: Liberty’s Response to Cal Advocates Data Request 026-CR, “Q2 026-CR AVR”, “Q2 026-CR PW”. 2023 average AVR residential CAP customer use is 20 CCF, for non CAP it is 23 CCF.

1 **Table 2-7: Revenue Neutrality Check of Recommended AVR Rate Design**

	% of Usage	Tier CCF	Rate per CCF	Revenue
Tier 1	44.34%	1,173,352	\$3.36375	\$4,465,192
Tier 2	45.06%	1,192,528	\$4.33495	\$5,848,300
Tier 3	10.60%	28,0461	\$8.39705	\$2,664,484
AVR Residential TY Sales Forecast = 2,646,341 CCF				
Total Revenue Collected Under Current Rate Design				\$11,471,467
Residential Revenue Needed for Revenue Neutrality				\$11,471,467
Under/Over Collection				\$0

2 **C. Park Rate Design**

3 **1. Fixed Rates**

4 Park proposes to use the meter ratios in **Table 2-3** to calculate its fixed charges,
 5 based on customer meter sizes. The Commission should adopt the ratios used for Park,
 6 as they are in accordance with the Commission standards.¹⁰¹

7 **2. Tier Breakpoints**

8 Park does not propose any change to the number nor width of its current tiers in its
 9 increasing block rate structure for residential customers. This is an appropriate design, as
 10 tier 1 is set at 6 CCF, to capture essential use.¹⁰² Tier 3 is set to more than 18 CCF of
 11 monthly use, set to capture 4.32% of residential use. The Commission should maintain
 12 Park’s three tiers and their breakpoints.

13 **3. Quantity Rates**

14 As shown in **Table 2-1**, Park’s proposed rate design decreases its tier 1 rate and
 15 decreases the tier 3 rate relative to tier 2 rates. Its alternate rate design decreases tier 1
 16 rates and increases tier 3 rates.

¹⁰¹ Standard Practice U-07-W, at 5.

¹⁰² D.20-07-032, at 22.

1 The proposed and alternative tier differential changes are in conjunction with the
 2 corresponding revenue allocations discussed in this Chapter's *Section A, Revenue*
 3 *Allocation*. Since the Commission should not adopt either of these revenue allocation
 4 scenarios, neither of these tier rate differential changes should be adopted. Additionally,
 5 Park presents these tier rates as percentages of tier 2 rates.¹⁰³ **Table 2-8** translates Park's
 6 presented tier rate differentials to a percentage of its SQR.

7 **Table 2-8: SQR % Equivalent of Current Park Tier Rates**

	% of Tier 2	% of SQR
Tier 1	75%	85.01%
Tier 2	100%	113.50%
Tier 3	169%	191.57%

8
 9 As shown above, Park currently sets tier 2 rates higher than the SQR. To promote
 10 conservation and benefit low water users, the Commission should adopt a tier 2 quantity
 11 rate differential closer to 100% of Park's SQR. To not increase tier 2 rates by an extreme
 12 extent, the Commission should adopt a tier 2 rate differential of 105.50% with respect to
 13 the SQR which under the utilities proposed rates, is \$5.48680 per CCF.

14 **Table 2-9** proves Park's current rate design is revenue neutral with Park's
 15 proposed rates.

16 **Table 2-9: Revenue Neutrality Check of Current Park Rate Design**

	% of Usage ¹⁰⁴	Tier CCF	Rate per CCF	Revenue
Tier 1	59.03%	1,579,324	\$4.42100	\$6,982,190
Tier 2	36.65%	980,660	\$5.89500	\$5,780,992
Tier 3	4.32%	115,635	\$9.96300	\$1,152,072
Park Residential TY Sales Forecast = 2,675,619 CCF				
Total Revenue Collected Under Current Rate Design				\$13,915,254
Residential Revenue Needed for Revenue Neutrality				\$13,915,254
Under/Over Collection				\$0

¹⁰³ A.24-01-002, Exhibit H, Testimony of T. Lyons, at 11 and 17.

¹⁰⁴ Park Workpapers, Section 2 "Customers, Revenues & Rate Design", at 2-60.

1 Cal Advocates’ recommendation to lower Park’s tier 2 rates closer to the SQR
 2 must be coupled with an additional adjustment of increasing either tier 1 or tier 3 rates.

3 The Commission should not increase the tier 1 rate differential. Keeping tier 1
 4 rate differentials lower benefits low water users. Therefore, the tier 3 rate differential
 5 must increase to 258.13% of the SQR to maintain revenue neutrality. **Table 2-10**
 6 presents Cal Advocates’ recommended tier rate differentials with respect to the SQR and
 7 the resulting Park proposed rates.

8 **Table 2-10: Revenue Neutrality Check of Recommended Park Rate Design**

	% of Usage	Tier CCF	Rate per CCF	Revenue
Tier 1	59.03%	1,579,324	\$4.42100	\$6,982,190
Tier 2	36.65%	980,660	\$5.48680	\$7,216,418
Tier 3	4.32%	115,635	\$13.42489	\$1,552,387
Park Residential TY Sales Forecast = 2,675,619 CCF				
Total Revenue Collected Under Current Rate Design				\$13,915,267
Residential Revenue Needed for Revenue Neutrality				\$13,915,267
Under/Over Collection				\$0

9 **D. Customer Assistance Program**

10 Liberty currently offers qualifying CAP ratepayers a surcredit of \$10.00 per
 11 month. Ratepayers qualify based on income.¹⁰⁵ To fund the program, non-CAP
 12 customers receive a per month surcharge of \$3.90 in AVR and \$7.23 in Park. Liberty
 13 proposes to increase the surcredit by the adopted revenue requirement increase in this
 14 proceeding.

15 **1. Surcredit**

16 If the Commission adopts Liberty’s entire requested revenue requirement, AVR’s
 17 CAP surcredit would increase to \$11.01 per month.¹⁰⁶ Park’s surcredit would increase to

¹⁰⁵ Schedule No. CAP, AVR and Park.

¹⁰⁶ Attachment 2-2: Liberty’s Response to Cal Advocates Data Request 020-CR, “Q1 020-CR AV CAP Discount Surcharge Calc”.

1 \$12.21 per month.¹⁰⁷ The Commission should not adopt Liberty’s requested revenue
2 requirement increase in full. However, change to the CAP surcredit proportional to the
3 authorized revenue requirement percent change is reasonable.

4 Cal Advocates’ recommended surcredits based on its recommended revenue
5 requirements are \$8.75 and \$9.47 for AVR and Park respectively. However, the
6 Commission’s adopted increase or decrease to the surcredit should be in proportion to the
7 final adopted revenue requirement change.

8 **2. Surcharge**

9 To fund the increase to its CAP surcredit, Liberty would need to change the
10 surcharge amount for both AVR and Park. The Non-CAP AVR customer surcharge
11 would increase from \$3.90 to \$5.09 based on AVR’s calculations.¹⁰⁸ An approximately
12 23% increase, compared to the 10.14% increase in revenue requirement for AVR. Non-
13 CAP Park customer surcharges would actually decrease, according to the utility’s
14 calculations, from \$7.23 to \$6.63 per month.¹⁰⁹ This is due to the overcollection in Parks
15 CAP Revenue Reallocation Balancing Account, which is a reduction in the surcharge
16 calculation.

17 Since filing its application, Liberty provided updates for several of the numbers
18 used in its surcharge calculations. In compliance with R.17-06-024, Liberty provides
19 monthly updates on the number of CAP customers.¹¹⁰ Using the most recent CAP
20 customers a 3-year average growth can be calculated to forecast TY CAP customers.¹¹¹

¹⁰⁷ Attachment 2-3: Liberty’s Response to Cal Advocates Data Request 020-CR, “Q1 020-CR PW CAP Discount Surcharge Calc”.

¹⁰⁸ Attachment 2-2: Liberty’s Response to Cal Advocates Data Request 020-CR, “Q1 020-CR AV CAP Discount Surcharge Calc”.

¹⁰⁹ Attachment 2-3: Liberty’s Response to Cal Advocates Data Request 020-CR, “Q1 020-CR PW CAP Discount Surcharge Calc”.

¹¹⁰ R.17-06-024, Liberty Utilities’ Joint Compliance Filing 05-01-024.

¹¹¹ Park 2018 and 2019 Annual Reports, Schedule E-2.

1 Liberty also provided an update on the CAP Revenue Reallocation Balancing Accounts
 2 balances in its semi-annual report of balancing accounts.¹¹²

3 Using the most recent numbers and Cal Advocates’ recommended revenue
 4 requirement change, the resulting recommended surcharge for non-CAP customers in
 5 AVR is \$6.86, and for non-CAP customers in Park is \$5.55 per month. These surcharges
 6 are subject to change, depending on the Commission’s adopted revenue requirement.

7 **E. Bill Affordability**

8 **1. Average Bill Comparison**

9 **Table 2-11** shows the isolated effects of rate design by using Liberty’s current
 10 rates for AVR and Park and comparing the results of Liberty’s proposed and alternative
 11 rate designs with Cal Advocates’.

12 **Table 2-11: Average Bi-Monthly Residential Bill Comparison¹¹³**

	Liberty’s Proposed	Liberty’s Alternative	Cal Advocates Recommended
AVR			
Fixed Charge ¹¹⁴	\$30.09	\$50.18	\$40.13
Quantity Charge			
Tier 1	\$5.33	\$1.46	\$3.78
Tier 2	\$5.61	\$4.88	\$4.87
Tier 3	\$9.25	\$8.79	\$9.44
Total	\$157.37	\$141.09	\$145.50

13

¹¹²Attachment 2-4: Liberty Apple Valley Semi Annual Report and Liberty Park Water Semi Annual Report on Balancing Accounts for December 31, 2023.

¹¹³ AVR’s average bi-monthly use is 23 CCF and Park’s is 17 CCF, based on 2022 recorded data. Because Liberty is unable to provide monthly usage data, this table uses the total two month usage to determine when the quantity charge changes tiers.

¹¹⁴ Fixed charge for 5/8” meter customers was used because most Liberty customer use this size.

Park			
Fixed Charge	\$34.39	\$57.32	\$45.85
Quantity Charge			
Tier 1	\$6.28	\$2.44	\$6.276
Tier 2	\$9.66	\$8.14	\$7.383
Tier 3	\$15.45	\$14.65	\$19.058
Total	\$178.29	\$160.32	\$165.34

1
2 The comparison shows that with only rate design changes, the average customer
3 bill is lower with Cal Advocates' recommended design than Liberty's proposed design
4 for Park. Liberty's alternative design does provide the lowest bill for average use, but the
5 less the customer uses, the less the customer benefits because the difference decreases.
6 The reason is because of the larger fixed charge under Liberty's alternative rate design.
7 This is demonstrated below in **Table 2-12** and **Table 2-13**, which compare the bills for a
8 customer with low use (just tier 1 use) and high use (up to tier 3).

9 **Table 2-12: Low Use Bi-Monthly Residential Bill Comparison¹¹⁵**

	Liberty's Proposed	Liberty's Alternative	Cal Advocates Recommended
AVR			
Fixed Charge ¹¹⁶	\$30.09	\$50.18	\$40.13
Quantity Charge			
Tier 1	\$5.33	\$1.46	\$3.78
Tier 2	\$5.61	\$4.88	\$4.87

¹¹⁵ For AVR and Park, tier 1 is set at 6 CCFs. With bi-monthly billing, this table assumes the customer only uses 6 CCFs for the entire two months.

¹¹⁶ Fixed charge for 5/8" meter customers was used because most Liberty customers use this size.

	Liberty's Proposed	Liberty's Alternative	Cal Advocates Recommended
AVR			
Tier 3	\$9.25	\$8.79	\$9.44
Total	\$62.05	\$73.01	\$62.21
Park			
Fixed Charge	\$34.39	\$57.32	\$45.85
Quantity Charge			
Tier 1	\$6.28	\$2.44	\$6.276
Tier 2	\$9.66	\$8.14	\$7.383
Tier 3	\$15.45	\$14.65	\$19.058
Total	\$72.06	\$84.28	\$83.51

1

2

Table 2-13: High Use Bi-Monthly Residential Bill Comparison¹¹⁷

	Liberty's Proposed	Liberty's Alternative	Cal Advocates Recommended
AVR			
Fixed Charge ¹¹⁸	\$30.09	\$50.18	\$40.13
Quantity Charge			
Tier 1	\$5.33	\$1.46	\$3.78
Tier 2	\$5.61	\$4.88	\$4.87

¹¹⁷ AVR's tier 3 breakpoint is at 26 CCFs so the table assumes 27 CCFs of usage for the two month period. Park's tier 3 breakpoint is at 18 CCFs so the table assumes 19 CCFs of usage for the two month period.

¹¹⁸ Fixed charge for 5/8" meter customers was used because most Liberty customer use this size.

	Liberty's Proposed	Liberty's Alternative	Cal Advocates Recommended
AVR			
Tier 3	\$9.25	\$8.79	\$9.44
Total	\$183.44	\$159.72	\$171.98
Park			
Fixed Charge	\$34.39	\$57.32	\$45.85
Quantity Charge			
Tier 1	\$6.28	\$2.44	\$6.276
Tier 2	\$9.66	\$8.14	\$7.383
Tier 3	\$15.45	\$14.65	\$19.058
Total	\$203.41	\$178.30	\$191.16

1

2

2. Affordability Metrics

3

4

Liberty uses the 2022 Affordability Ratio Calculator (“ARC”) file from the Commission’s website to calculate its affordability metric.¹¹⁹ Affordability Ratios

5

(“AR”) are the ratio of water service cost to a percentile income level net of other

6

essential utility service costs. AR 20, at the 20th percentile income level and AR 50, at

7

the 50th percentile income level, are required to be provided to the Commission.¹²⁰

8

AVR’s proposed TY rates result in an AR20 of 5.67% at average usage and an

9

AR50 of 1.91% for customers with a 5/8 x 3/4 inch meter.¹²¹ Cal Advocates’

¹¹⁹ A.24-01-002, A.24-01-003, Exhibit K.

¹²⁰ D.22-80-003, at 12.

¹²¹ A.24-01-003, Exhibit K.

1 recommended TY rates (including the effects of both rate design and revenue
2 requirement differences) results in an AR20 of 2.50% and AR50 of 0.84% for customers.

3 Park's proposed TY rates result in an AR20 of 9.11% at average usage and an
4 AR50 of 1.99% for customers with a 5/8 x 3/4 inch meter.¹²² Cal Advocates'
5 recommended TY rates results in an AR20 of 4.14% and AR50 of 0.91% for customers.

6 **IV. CONCLUSION**

7 Liberty's proposed and alternative scenarios regress from Commission policy
8 which set standards in rate design for years. Neither of Liberty's proposed scenarios will
9 benefit low water users, as the proposed is paired with a mechanism which adds
10 additional surcharges to low water user bills and the alternative shifts more of the bill
11 percentage to fixed charges that the ratepayer has no control over. The Commission
12 should adopt Cal Advocates' recommended changes to Liberty's rate design because they
13 serve to benefit low water use and ensure revenue neutrality.

14

¹²² A.24-01-002, Exhibit K.

1

LIST OF ATTACHMENTS FOR CHAPTER 2

2

(See Appendix B)

Attachment	Description
2-1	Liberty's Response to Cal Advocates Data Request 027-CR, Q1a 027-CR Fixed Costs
2-2	Liberty's Response to Cal Advocates Data Request 020-CR, Q1 020-CR AV CAP Discount Surcharge Calc
2-3	Liberty's Response to Cal Advocates Data Request 020-CR, Q1 020-CR PW CAP Discount Surcharge Calc
2-4	Liberty Apple Valley and Liberty Park Water Semi Annual Report on Balancing Accounts for December 31, 2023

3

1 **CHAPTER 3 - BALANCING AND MEMORANDUM ACCOUNTS**

2 **I. INTRODUCTION**

3 This chapter presents Cal Advocates’ analysis and recommendations for Liberty’s
4 Balancing and Memorandum Accounts (“BAMA”). Balancing Accounts (“BA”) track
5 Commission authorized expenses against recorded expense, which allow the utility to
6 recover or refund the difference after review. Memorandum Accounts (“MA”) track
7 expenses which the utility can request to recover through a later review. Both types of
8 accounts, collectively referred to as BAMA in this chapter, allow the utility to circumvent
9 the traditional ratemaking process, reduce ratepayer transparency, and reduce Liberty’s
10 incentive to manage expenses responsibly. In developing its recommendations, Cal
11 Advocates reviewed Liberty’s testimony, historical data, and data requests responses.¹²³

12 Although Liberty’s proposed recovery of BAMA accounts from ratepayers is not
13 reflected in its proposed rate increase, the ratepayer impact would increase an additional
14 \$693,096 if approved by the Commission.¹²⁴ This amount is a total of the requested
15 BAMA in Liberty’s application.¹²⁵ However, Liberty’s Semi-Annual Reports for
16 Balancing Accounts, filed on December 31, 2023, contain a more recent BAMA total of
17 \$881,599, which Liberty did not update in its application’s 100-Day update.¹²⁶

18 **II. SUMMARY OF RECOMMENDATIONS**

19 The Commission should adopt the following recommendations for Liberty’s
20 BAMA:

21

¹²³ For Cal Advocates Recommendations on Report on Pipeline Replacement, Depreciation Reserve & Expense, Rate Base, and PFAS Memo Account.

¹²⁴ This total only includes the accounts Liberty is requesting recovery of in this application. It also does not include CAP Revenue Allocation Amount since this account does not apply surcharges to all customers.

¹²⁵ A.24-01-002, Exhibit B Revenue Requirement, pgs. 121-126. A.24-01-003, Exhibit B AVR Revenue Requirement, at 125-128.

¹²⁶ Attachment 2-4: Liberty Apple Valley Semi Annual Report and Liberty Park Water Semi Annual Report on Balancing Accounts for December 31, 2023.

- 1 • Deny Liberty’s request to establish the Consumption Revenue
2 Balancing Account for AVR and Park.
- 3 • Deny Liberty’s request to establish a Conservation MA for AVR and
4 Park.
- 5 • Recalculate the Catastrophic Event Memorandum Account (“CEMA”)
6 balance for amortization and close account.
- 7 • Amortize BAMA balances based on Cal Advocates analysis.
- 8 • Close the BAMA which do not comply with the Commission’s
9 requirements.

10 This chapter’s *Sections A-J* discuss the analysis for BAMAs which Liberty uses
11 for both AVR and Park. This chapter’s *Sections K and L* discuss only AVR and Park
12 specific BAMAs.

13 **III. ANALYSIS**

14 Memorandum accounts may be appropriate when the following four conditions
15 exist, (1) The expense is caused by an event of an exceptional nature that is not under the
16 utility’s control; (2) The expenses cannot have been reasonably foreseen in the utility’s
17 last GRC, and will occur before the utility’s next scheduled rate case; (3) The expense is
18 of substantial nature in the amount of money involved when any offsetting costs
19 decreases are taken into account; and (4) the ratepayers will benefit by the memo account
20 treatment.¹²⁷ Cal Advocates reviewed Liberty’s existing and proposed Balancing and
21 Memorandum Accounts to determine if they meet these conditions.

22 **A. Consumption Revenue Balancing Account**

23 Liberty proposes to establish the Consumption Revenue Balancing Account
24 (“CRBA”) for both AVR and Park.¹²⁸ Yet, Liberty’s testimony provides no evidence the
25 mechanism would benefit Liberty’s ratepayers or conservation efforts. Furthermore, the
26 CRBA is a “revenue decoupling mechanism” which functions exactly the same as the

¹²⁷ D.02-08-054.

¹²⁸ Exhibit I Testimony of K. Switzer. Along with CRBA, Liberty is requesting to implement the Consumption Cost Balancing Account (“CCBA”) which works in tandem with the CRBA but focuses solely on expenses. For the sake of this report, the two are referred to collectively as the CRBA.

1 Water Revenue Adjustment Mechanism (“WRAM”). The Commission previously
2 eliminated WRAM for all Class A IOUs.¹²⁹

3 The Commission should not allow Liberty to establish the WRAM under the alias
4 of the CRBA. Instead, the Commission should allow Liberty to maintain the similar
5 mechanism of the Monterey WRAM (“M-WRAM”). Analysis conducted in this GRC
6 demonstrates the M-WRAM is as effective at promoting conservation, while not allowing
7 utilities such as Liberty to circumvent the GRC process of determining and being
8 accountable to a set budget.

9 **1. Background of WRAM**

10 The WRAM was a pilot program implemented to promote conservation and to
11 protect utilities from receiving less revenue due to less sales from conservation.¹³⁰
12 Fortunately, rather than focusing on the theoretical functions and results of the WRAM,
13 the program provided empirical data to determine the WRAM’s effectiveness in
14 promoting conservation.

15 The program ultimately proved to be ineffective in promoting conservation when
16 reviewing lower sales by utilities with the WRAM the M-WRAM.¹³¹ The M-WRAM is a
17 more nuanced mechanism that only allows the recovery of revenues a utility would have
18 received under a Single Quantity Rate, as opposed to a conservation rate design, such as
19 an increasing block rate structure. The Commission discontinued the WRAM in each
20 Class A IOUs next GRC but allowed the transition to the M-WRAM.¹³²

21 After the WRAM produced hundreds of millions of dollars in additional revenue
22 and profit for utilities during the decade in which it operated,¹³³ the five utilities with

¹²⁹ D.20-08-047, at 68.

¹³⁰ D.20-08-047, at 52.

¹³¹ Rulemaking 17-06-024, Reply Comments of the Public Advocates Office on the Water Division’s Staff Report and Response to Additional Questions, September 23, 2019. D.20-08-047, at 104.

¹³² D.20-08-047, at 106.

¹³³ Annual Reports of all Class A Water Utilities, Schedule E (2009 to 2021).

1 WRAM, including AVR and Park, filed applications for rehearing of the Commission’s
2 decision to eliminate WRAM. After having “carefully considered the arguments raised
3 in the applications for rehearing,” the Commission found no grounds for rehearing and
4 denied all the requests.¹³⁴ In denying all of the rehearing requests, the Commission
5 further clarified its earlier determination that the WRAM “had proven to be ineffective in
6 achieving its primary goal of conservation,” and “to keep rates just and reasonable,” the
7 Commission “precluded the continued use of the [WRAM] in future general rate
8 cases.”¹³⁵

9 After its rehearing request was denied by the Commission, Liberty and the other
10 Class A’s which previously had the WRAM, petitioned the California Supreme Court for
11 a writ of review challenging the Commission’s first decision to eliminate the WRAM and
12 its second decision denying rehearing.¹³⁶ On January 28, 2022, the Commission filed its
13 response to the petition for a writ of review.¹³⁷ While its challenge of the Commission’s
14 decisions was still pending before the California Supreme Court, Cal Am embarked upon
15 a legislative process to thwart the Commission’s multiple decisions eliminating the
16 WRAM by sponsoring legislation that would have effectively required the Commission
17 to reinstitute WRAM for water utilities.¹³⁸ An amended version of the legislation,
18 requiring the Commission to *consider* reinstating WRAM in a water utility’s general
19 rate case, was enacted on September 30, 2022.¹³⁹

20 The Commission should only allow the M-WRAM concept and not the original
21 WRAM. The Commission should also consider renaming M-WRAM to the

¹³⁴ D.21-09-047, at 4.

¹³⁵ D. 21-09-047, at 1.

¹³⁶ Case No. S271493, subsequently consolidated with Case No. S269099, Golden State Water Company v. Public Utilities Commission.

¹³⁷ Attachment 3-1: Answer of Responded to Petitions for Writ of Review.

¹³⁸ Senate Bill (SB) 1469, as introduced February 18, 2022.

¹³⁹ *Supplemental Direct Testimony of Jeffrey Linam*, January 27, 2023.

1 Conservation Pricing Adjustment Mechanism (“CPAM”) to correctly reflect the purpose
2 of the mechanism and to remove the misleading association with Monterey, California.¹⁴⁰

3 **2. Past WRAM Balances**

4 Liberty presents a table of all WRAM balances since implementation for AVR and
5 Park.¹⁴¹ The utility presented this data in a table in an attempt to invalidate two critiques
6 of the WRAM: it almost always under collects and the under-collection balances are
7 large. The table shows that of the 29 instances Liberty recorded WRAM balances, it only
8 reported an overcollection 4 times.¹⁴² Park never once over collected using the WRAM
9 and recorded a total of \$23,919,940 under collections.¹⁴³ While AVR over collected 4
10 times, the total balance is still an under collection of \$10,604,847.

11 Liberty recovered and continues to recover a combined total of \$34,524,787 in
12 under collections from ratepayers through surcharges from 2008-2022 (approximately
13 \$1304.50 per customer in surcharges).¹⁴⁴ These surcharges are the exact opposite of
14 using price signaling to promote conservation, since even if an individual ratepayer uses
15 less water they will receive this surcharge so Liberty can recover more revenue.

16 **3. Decreasing WRAM Balances**

17 The second critique Liberty attempts to dispel with the WRAM balance is the
18 large size of under-collection balances. It is true in terms of the percentage of total

¹⁴⁰ Although the M-WRAM has not operated in Monterey, California, for more than a dozen years, it is currently the decoupling mechanism utilized by Class A water utilities operating in San Jose, Fontana, Rancho Cucamonga, Rialto, El Monte, Covina, West Covina, La Puente, Glendora, Whittier, Sativa, City of Industry, Pico Rivera, Arcadia, Irwindale, and other portions of Los Angeles, Orange, and San Bernadino Counties.

¹⁴¹ Exhibit I, Testimony of K. Switzer, at 18, Table 3.

¹⁴² Exhibit I, Testimony of K. Switzer, at 18, Table 3.

¹⁴³ Exhibit I, Testimony of K. Switzer, at 18, Table 3.

¹⁴⁴ AVR and Park Annual Reports for 2008-2022, Schedules D-4.

1 revenue requirement WRAM balances have decreased over time for Liberty.¹⁴⁵ However,
2 decreased balances over time are evidence to support the WRAM is not necessary.

3 The Commission finds BAMAs are necessary when the expenses are substantial in
4 nature.¹⁴⁶ The decreasing balances demonstrate the exact opposite. Improvements to
5 sales forecasting factors the Commission requires, discussed in *Chapter 1*, are a potential
6 cause of this balance decrease. Sales forecasts other than the New Committee Method, or
7 any modified versions, have improved the accuracy of forecasts for Liberty, leading to
8 these decreased balances. The Commission adopted an average of annual sales per
9 customer for residential customer's forecast in Liberty's previous GRC, instead of
10 Liberty's proposed modified NCM forecast.¹⁴⁷ The TY 2022 WRAM balances were
11 substantially lower in comparison to the past balances.¹⁴⁸ The WRAM is not needed if
12 the outdated NCM sales forecast is no longer used and if utilities properly consider the
13 Commission required sales forecasts factors.¹⁴⁹

14 4. WRAM vs. M-WRAM Effect on Conservation

15 The WRAM pilot program provides years of water production data for Class A
16 IOUs with and without the mechanism in place for analysis. **Figure 3-1** compares the
17 production per connection of WRAM and M-WRAM Class A water utilities.¹⁵⁰ Not only
18 do WRAM utilities produce more water per connection, but the patterns are very similar
19 to those of the M-WRAM.

¹⁴⁵ Exhibit I, Testimony of K. Switzer, at 18, Table 3.

¹⁴⁶ D.02-08-054.

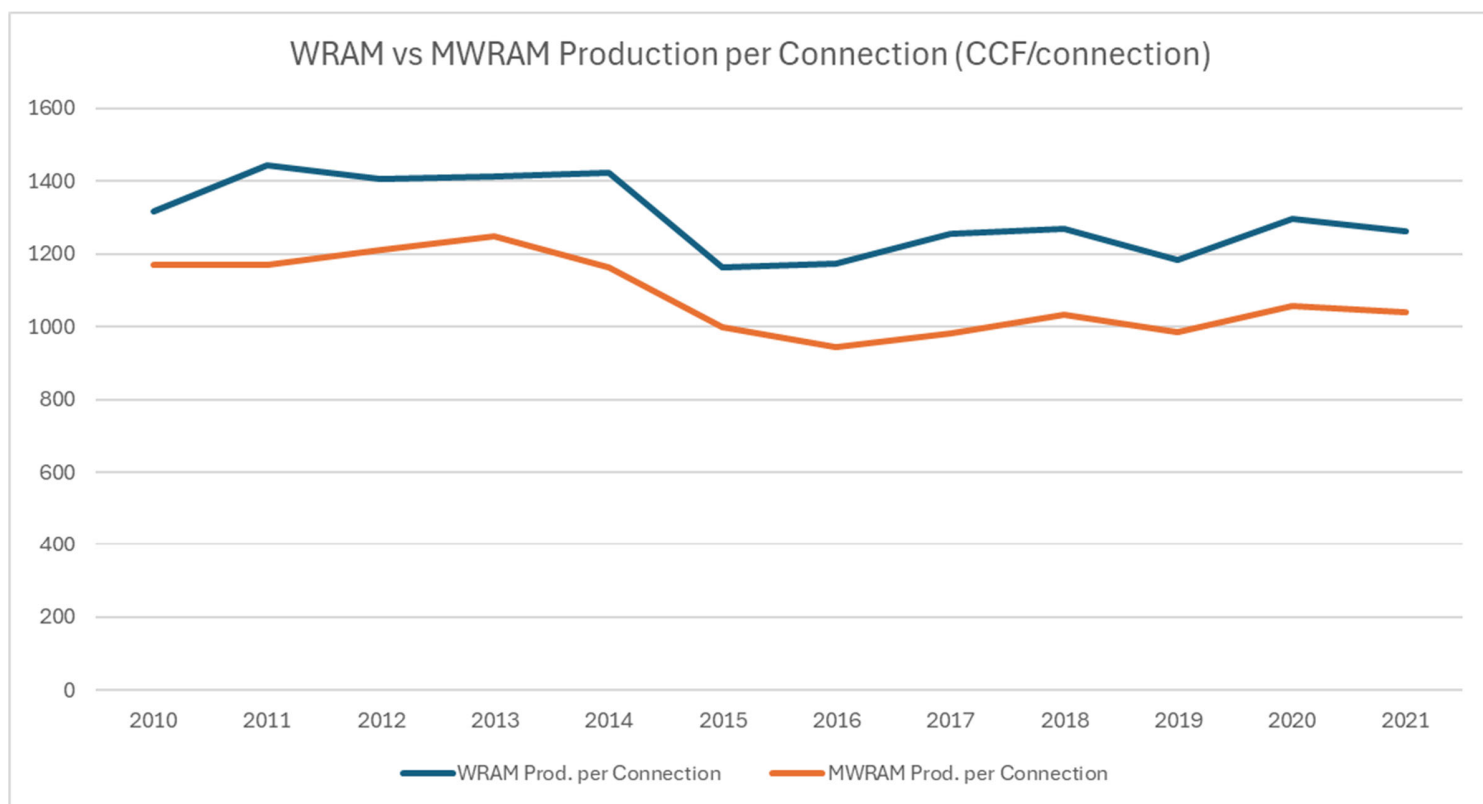
¹⁴⁷ D.23-02-003, at 8-12.

¹⁴⁸ Exhibit I, Testimony of K. Switzer, at 18, Table 3.

¹⁴⁹ D.20-08-047, at 106.

¹⁵⁰ Annual Reports of Class A Water Utilities, Schedule D-1 and Schedule D-4. Years 2008 and 2009 were unavailable due to discrepancies in those annual reports for several of the Class As.

Figure 3-1: Production per Connection of MWRAM and WRAM Class A IOUs



2 **5. Pre and Post WRAM Liberty Sales**

3 While a comparison across all 9 Class A IOUs production data provides evidence
4 of how the M-WRAM is just as efficient at water conservation, a look at Liberty’s data
5 demonstrates how little WRAM affects customer sales.

6 **Figure 3-2** presents Liberty’s sales per connection from 2000 to 2011.¹⁵¹ The
7 WRAM began to track balances in 2008 for Park and 2009 for AVR.¹⁵² Liberty provides
8 no evidence the decrease in AVR and Park sales would have existed without the WRAM.
9 Liberty even acknowledges other factors may contribute to the decrease as well.¹⁵³

¹⁵¹ AVR and Park Annual Reports, Schedules D-1 and D-4.

¹⁵² Exhibit I, Testimony of K. Switzer, at 18, Table 3.

¹⁵³ Exhibit I, Testimony of K. Switzer, at 17.

1 One such example of other factors is Liberty’s increasing block rate structure,
2 providing price signaling to ratepayers to encourage conservation.¹⁵⁴ Park implemented
3 its block rate structure in 2008¹⁵⁵ and AVR did so later that year.¹⁵⁶ Liberty provides no
4 analysis isolating the effect its block rate and WRAM on sales from one another. In fact,
5 AVR only has two years (2008 and 2023) of annual sales data for when the block rate
6 structure was in place and the WRAM was not in place. Park has only one year (2023) of
7 annual sales data for when the block rate structure was in place and the WRAM was not
8 in place. The sales trend shows AVR usage was already on a downward trajectory prior
9 to the WRAM implantation as 2008 sales decreased from 2007. There is no accurate way
10 to measure the effect of either conservation effort during the WRAM pilot program.
11 Fortunately, Liberty provided post WRAM sales data so the effect of the block rate
12 structure on customer usage can be examined without the BAMA.¹⁵⁷
13

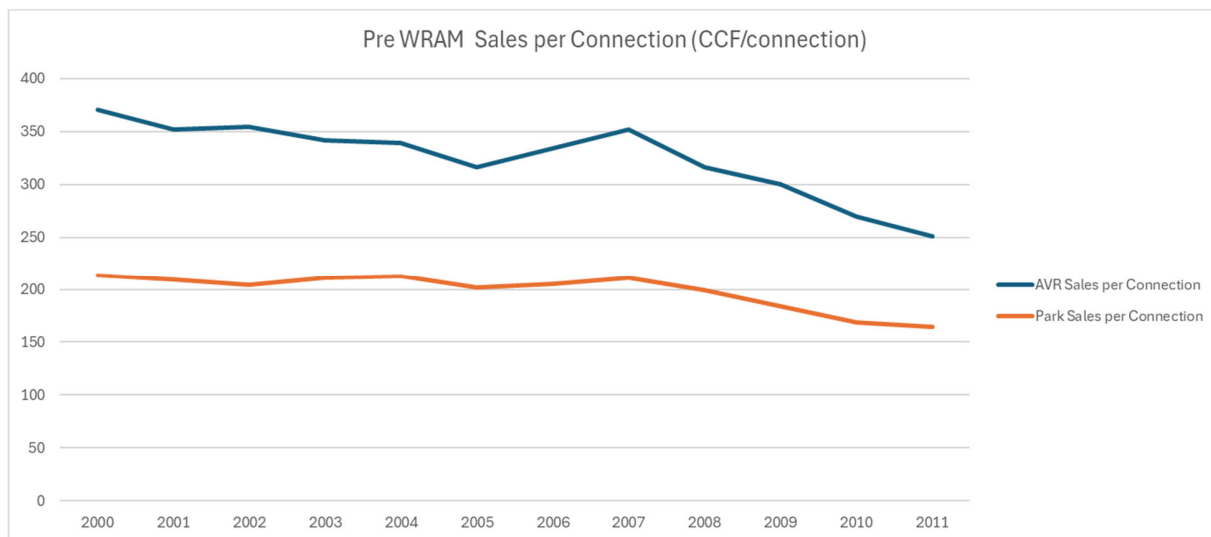
¹⁵⁴ Exhibit I, Testimony of K. Switzer, at 5.

¹⁵⁵ D.08-02-036.

¹⁵⁶ D.08-09-026, at 34.

¹⁵⁷ Attachment 1-5: Liberty’s Response to Cal Advocates Data Request 026-CR, “Q2 026-CR AVR”, “Q2 026-CR PW”.

Figure 3-2: Liberty Sales per Connection



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2023 sales data shows the Liberty customers are more than capable of adapting usage, regardless of the WRAM’s presence.¹⁵⁸ 2023 is the only post WRAM sales data available and thus is the indicator of how the absence of the mechanism affects customer usage. As shown in **Figure 1-1** and **Figure 1-2**, AVR and Park 2023 sales did not drastically increase. It is true 2023 was a particularly wet year and so the customer usage may have been skewed.¹⁵⁹ However, if the WRAM were in place, it would not have considered this abnormality. One of the many flaws with the WRAM’s functionality is that it fails to consider any factors that may affect usage. WRAM strictly looks at differences in revenues and accounts for it through surcharges, without properly examining why those differences occur and if ratepayers should shoulder the burden.

¹⁵⁸ Attachment 1-6: Liberty’s Response to Cal Advocates Data Request 026-CR, “00 FINAL AVR Forecast”, “00 FINAL Park Forecast”.

¹⁵⁹ Attachment 1-7: National Oceanic and Atmospheric Administration (“NOAA”) precipitation data for Downtown LA and Pearblossom.

1 Logically, based on how the WRAM functions, the WRAM’s failure to promote
2 conservation is not a surprise. Conservation ultimately depends on the ratepayer. A
3 “revenue decoupling mechanism” does not affect the ratepayer behavior, like quantity
4 rates do through price signaling. The WRAM only adjusts rates after the ratepayer uses
5 water, independent of the individual usage. The WRAM does not decouple the revenues
6 from the sales. Instead, the WRAM only ensures the utility will receive its forecasted
7 revenue —regardless of whether the forecasted revenue is actually needed by the utility.
8 The WRAM unfairly transfers the risk for utility operations from the utility’s
9 shareholders to ratepayers, eliminates the incentives to efficiently manage water
10 production expenses, and eliminates the incentive to accurately forecast sales in a
11 GRC.¹⁶⁰

12 **6. M-WRAM**

13 The M-WRAM is a more narrow and specific approach to promoting
14 conservation. By only allowing recovery of revenues lost due to the utility having an
15 increasing block rate structure, the balances recovered will be smaller and just limited to
16 results of price signaling to ratepayers. The evidence discussed in the above sections
17 demonstrates the Commission’s previous decision to disallow the WRAM in favor of the
18 M-WRAM remains reasonable and beneficial to ratepayers.

19 Thus, the Commission should allow Liberty to continue the use of its M-WRAM,
20 under the name of CPAM.

21 **B. WRAM 2022 Balances**

22 While the Commission should not allow Liberty to reinstate the WRAM via the
23 CRBA, there are balances recorded in the WRAM from when the mechanism was
24 allowed.

25 As of December 31, 2023, AVR’s over collected balance from the WRAM in
26 2022 is \$112,663.¹⁶¹ The Commission should require immediate amortization for AVR

¹⁶⁰ D.20-08-047, at 56.

¹⁶¹ Attachment 2-4: Liberty Apple Valley Semi Annual Report and Liberty Park Water Semi Annual

1 customers. Park’s 2022 WRAM balance, as of December 31, 2023, under collected by
2 \$909,975.¹⁶² Unlike AVR’s over collection, Park does not mention in its application
3 (much less request amortization) the \$909,975 under collection. It is unclear why the
4 inconsistency exists between AVR and Park, and no explanation is immediately available
5 about why Liberty chose to only request amortization of AVR’s over collected WRAM
6 2022 balance. However, both AVR’s over collected balance of \$112,663 and Park’s
7 under collected balance of \$909, 975 should immediately be amortized. Failing to
8 amortize Park’s WRAM 2022 balance will lead to incurring more interest and even
9 higher surcharges imposed on Park customer bills.

10 **C. Conservation Memorandum Account**

11 Liberty requests to establish a Conservation MA for incremental costs it will incur
12 to meet a new regulation’s conservation requirements.¹⁶³ The State Water Resource
13 Control Board (“SWRCB”) is currently developing the Make Conservation A California
14 Way of Life regulation (“regulation”).¹⁶⁴ The regulation will require urban water
15 suppliers to report and assess compliance with a water use budget, which is
16 individualized for the supplier. The Commission should reject Liberty’s request to
17 establish this Conservation MA on the grounds it fails to comply with the criteria set
18 forth in D.02-08-054 and the Commission’s Standard Practice.¹⁶⁵
19

Report 2023.

¹⁶² Attachment 2-4: Liberty Apple Valley Semi Annual Report and Liberty Park Water Semi Annual Report on Balancing Accounts for December 31, 2023.

¹⁶³ A.24-01-002 Exhibit B Park Revenue Requirement Report, pg. 126. A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 128.

¹⁶⁴ https://www.waterboards.ca.gov/conservation/regs/water_efficiency_legislation.html.

¹⁶⁵ General Order 96-B, General Rule 7.4.2; D.02-08-054, at 3; Standard Practice U-27-W, at 6.

1 **1. Any Necessary Conservation Expenses were**
2 **Foreseeable Prior to this General Rate Case**

3 Liberty states it anticipates substantial amounts of tools and resources will be
4 needed to meet the regulation’s requirements, without providing any specifics.¹⁶⁶ The
5 regulation’s development should have been a well-known process to California urban
6 water suppliers because the process began in 2016. Liberty had ample time to develop
7 existing conservation budgets which are accounted for in base rates.

8 On May 9, 2016 former Governor Jerry Brown issued Executive Order (“EO”) B-
9 37-16 to transition state agencies from temporary emergency water restrictions to
10 permanent, long term improvements in water use efficiency.¹⁶⁷ As a result, the California
11 State Legislature enacted Senate Bill (“SB”) 606 and Assembly Bill (“AB”) 1668 in
12 2018, requiring the Department of Water Resources (“DWR”) to establish a foundation
13 for long term improvements in water conservation and drought planning. In 2018 DWR
14 prepared a primer to summarize the goals of the legislation and the timeline for urban
15 water suppliers to meet water use objectives.¹⁶⁸ The SWRCB used this primer as a basis
16 for its draft of the regulation released in August 2023.¹⁶⁹

17 Many of the requirements in the 2023 draft have been mentioned consistently
18 through the development of this regulatory framework. District specific urban water use
19 objectives have been a key component of the regulation going back to 2018.¹⁷⁰ A
20 classification system for Commercial, Industrial and Institutional (“CII”) customers and
21 conversion to dedicated irrigation meters were highlighted conservation goals in the
22 DWR 2018 primer. SB 606 and AB 1668 have laid out the general framework of the

¹⁶⁶ Exhibit B AVR Revenue Requirement Report, at 128.

¹⁶⁷ Attachment 3-2: Executive Order B-37-16.

¹⁶⁸ <https://water.ca.gov/-/media/dwr-website/web-pages/programs/water-use-and-efficiency/make-water-conservation-a-california-way-of-life/files/pdfs/final-wcl-primer.pdf>.

¹⁶⁹ <https://www.waterboards.ca.gov/conservation/regs/docs/2023/proposed-reg-text-081723.pdf>.

¹⁷⁰ SB 606, Section 10609.20.

1 regulation since 2018, it is the specific metrics and reporting requirements the SWRCB is
2 still attempting to develop.

3 **2. Conservation Expenses Will Not Increase**
4 **Substantially**

5 Liberty’s conservation efforts have held up well in the past and Liberty does not
6 provide any evidence the utility’s existing conservation budgets need to increase
7 substantially to meet the regulations demands. Both AVR and Park were well below
8 their 2020 water production goals. AVR achieved 146 Gallons per Capita per Day
9 (“GPCD”) in 2020, with a goal of 238 GPCD.¹⁷¹ Park achieved 74 GPCD with a goal of
10 a maximum of 142 GPCD.¹⁷² Both systems have clearly conserved well because both
11 Park and AVR achieved GPCD levels well below their respective goals.

12 Additionally, the draft Liberty references in its application is not the most recent
13 regulation draft. The SWRCB released a second draft on March 12, 2024.¹⁷³ This draft
14 relaxed several of the requirements, such as pushing back the requirement for utility’s to
15 be in compliance with goals from 2025 to 2027.¹⁷⁴ A third draft was released on May 20,
16 2024.

17 **3. Ratepayers Will Not Benefit**

18 The bill impacts resulting from Commission’s ratemaking process should be
19 transparent to decision makers and ratepayers. Unlike BAMA that track any and all
20 associated costs for later recovery from ratepayers via surcharges on top of base rates,
21 budget forecasts encourage utilities to operate efficiently within the Commission
22 approved expense amounts. The Conservation MA would allow Liberty to operate
23 without the discipline of an authorized conservation budget.

¹⁷¹ A.24-01-003, Exhibit D Apple Valley UWMP, at 5-5.

¹⁷² A.24-01-003, Exhibit D Apple Valley UWMP, at 5-5.

¹⁷³

https://www.waterboards.ca.gov/board_info/calendar/docs/2024/mar/notice_conservation2_031224.pdf.

¹⁷⁴ https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/regs/docs/2024/making-conservation-california-2024-updates.pdf.

1 Additionally, ratepayers are unable to anticipate the balance total for recovery in
2 balancing accounts such as the Conservation MA, whereas properly forecasting a
3 conservation budget creates predetermined rates for the rate cycle. These predetermined
4 rates are public knowledge and are more transparent to ratepayers. Balancing accounts
5 do not benefit ratepayers as they shift cost recovery from base rates to less transparent
6 surcharges.

7 **D. Catastrophic Event Memorandum Account (“CEMA”)**

8 The CEMA tracks the recorded costs incurred associated with a catastrophic event,
9 including customer protection programs.¹⁷⁵ Liberty uses the CEMA to track costs
10 incurred in response to the COVID-19 pandemic, which Governor Newsom declared a
11 state of emergency in March 2020. At the time of filing its application, AVR and Park
12 reported under collections of \$64,463 and \$110,588 respectively.¹⁷⁶

13 However, the Commission should authorize an immediate amortization of an
14 overcollection, meaning a surcredit to Liberty ratepayers. Liberty should amortize an
15 overcollection for AVR’s CEMA (\$443,549) and Park’s CEMA (\$774,909).

16 **1. Remove Interest Incurred After Account Closure**

17 Liberty stated it would provide an update of the CEMA balances with the recorded
18 December 31, 2023, but failed to do so in its semiannual reports on balancing accounts.¹⁷⁷
19 In response to Cal Advocates’ data request, Liberty provided balances as of December
20 31, 2023.¹⁷⁸ The updated AVR CEMA account total is \$65,335. For Park’s CEMA, it is
21 \$100,587. The General Ledgers (“GL”) show the only incurred costs from September 30,

¹⁷⁵ AVR Preliminary Statement, FF. Park Preliminary Statement, FF.

¹⁷⁶ A.24-01-002 Exhibit B Park Revenue Requirement Report, at 123. A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 128.

¹⁷⁷ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

¹⁷⁸ Attachment 3-3: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR PW CEMA COVID 2023.12.31”, and “Q4a 027-CR AV CEMA COVID 2023.12.31” tab: “GL”.

1 2023 to December 31, 2023 are interest.¹⁷⁹ Moreover, the last non-interest cost recorded
2 was in February 2022.¹⁸⁰ This is because Liberty terminated the CEMA on February 1,
3 2022, which Liberty failed to mention in its application.¹⁸¹ In fact, Liberty implies the
4 opposite by requesting a “continuation” of the CEMA.¹⁸²

5 Since February 2022, Liberty has incurred interest on its CEMA balances. For
6 AVR, a total of \$4,470 in interest incurred.¹⁸³ Park incurred \$6,172 in interest.¹⁸⁴ Since
7 Liberty closed the account, the utility should have amortized the balance. Instead,
8 Liberty has incurred interest on the under collection it wishes to recover from ratepayers.
9 The Commission should remove the interest incurred in Liberty’s CEMA since February
10 2022. The account served no benefit for the rate payers during that period, and the
11 uncollected balances should be brought down to \$60,865 for AVR and \$104,416 for Park.

12 It is unclear why Liberty has not requested recovery of the CEMA balance since
13 closing it in February 2022, until this application. Fortunately, like other utilities such as
14 Suburban, Liberty has received funding from the State Water Resource Control Board to
15 offset its CEMA balance.

16 2. Add Relief Funds to Offset CEMA Balance

17 The SWRCB offers community water systems relief for unpaid bills due to the
18 pandemic.¹⁸⁵ Other Class A water utilities, such as Suburban, use this relief as an offset

¹⁷⁹ Attachment 3-3: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR PW CEMA COVID 2023.12.31”, and “Q4a 027-CR AV CEMA COVID 2023.12.31” tab: “GL”.

¹⁸⁰ Attachment 3-3: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR PW CEMA COVID 2023.12.31”, and “Q4a 027-CR AV CEMA COVID 2023.12.31” tab: “GL”.

¹⁸¹ Attachment 3-4: Liberty’s Response to Cal DR 009-KN, Q1.b.

¹⁸² A.24-01-002 Exhibit B Park Revenue Requirement Report, pg. 123. A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 128.

¹⁸³ Attachment 3-5: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR AV CEMA COVID 2023.12.31”, tab: “Int”.

¹⁸⁴ Attachment 3-6: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR PW CEMA COVID 2023.12.31”, tab: “Int”.

¹⁸⁵ https://www.waterboards.ca.gov/arrearage_payment_program/.

1 to expenses included in the CEMA.¹⁸⁶ Liberty’s application omits any mention of relief
2 Liberty received in December 2023, including \$504,414 in relief for AVR and \$879,325
3 for Park.¹⁸⁷ It is unclear where Liberty accounts for this relief received.

4 Even though Liberty does not record loss of revenue due to the pandemic in its
5 CEMA,¹⁸⁸ the account is appropriate to record costs for implementing customer
6 protections.¹⁸⁹ Therefore, relief provided to offset the loss of revenue from customer
7 protections are appropriate to include in Liberty’s CEMA.

8 **3. Account is Already Closed**

9 As mentioned, Liberty has not recorded an expense in CEMA since February
10 2022. Perhaps this is because the account is already closed, even though Liberty uses
11 language implying otherwise and its incurring interest on the account. This is supported
12 by annual reports which do not list the CEMA for AVR or Park.¹⁹⁰ It is unclear why
13 Liberty closed its CEMA because the Commission decision (D.21-07-029) it cites for its
14 reasoning to do so, has no such order.¹⁹¹ If Liberty were to read the decision it cites, the
15 utility would realize it is violating the Commissions’ orders by not including the relief
16 provided by the SWRCB in its CEMA.¹⁹²

17 The Commission should require Liberty to reopen the CEMA account to offset
18 costs, then amortize the overcollection of \$443,548 and \$774,909 for AVR and Park’s.
19 Once complete, Liberty should close its CEMA again.

¹⁸⁶ A.23-01-001, Rebuttal Testimony of Bordelon, at 19.

¹⁸⁷ Attachment 3-7: California Extended Water and Wastewater Arrearage Parment Program Current List of Applicants and Application Review States (as of 2/2/2024).

¹⁸⁸ Attachment 3-3: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR PW CEMA COVID 2023.12.31”, and “Q4a 027-CR AV CEMA COVID 2023.12.31” tab: “GL”.

¹⁸⁹ AVR Preliminary Statement, FF. Park Preliminary Statement, FF.

¹⁹⁰ Annual Reports of AVR and Park 2022, Schedule E-1.

¹⁹¹ Attachment 3-4: Liberty’s Response to Cal DR 009-KN, Q1.b.

¹⁹² D.21-07-09, at 79.

1 **E. Consolidated Expense Balancing Account (“CEBA”)**

2 Liberty consolidates the amortization of BAMAs “where appropriate” in its
3 CEBA.¹⁹³ AVR is requesting amortization of an overcollection of \$87,777 and Park an
4 overcollection of \$10,699, as of September 31, 2023.¹⁹⁴ This account lacks transparency
5 because “where appropriate” is a subjective term Liberty uses to circumvent the
6 Commission’s authority and put other BAMA balances, seemingly at the utility’s whim,
7 into a single balance.

8 **1. Violates past Commission Decisions**

9 In AVR’s semi-annual reports on balancing accounts, AVR states the authorizing
10 decision for its CEBA is D.20-09-019.¹⁹⁵ If AVR were to read the decision it cites, it
11 would realize the proposal to consolidate several BAMAs, including its Conservation
12 Expense One-Way Balancing Account (“CEOWBA”), into the CEBA contradicts the
13 Commission’s logic in authorizing the account. From the Commission’s D.20-09-019:

14 *“The governing principle from the Water Division’s Standard Practice*
15 *Manual U-27-W is to provide individual surcharges for large balances, but*
16 *this logic depends upon the reason for the surcharge. While customers*
17 *should have information about individual surcharges by year, certain*
18 *timing mechanisms are not as crucial to highlight, such as recovery of rates*
19 *authorized late. With the sheer number of special accounts, we must decide*
20 *what to highlight for customers. The highest priority surcharges should be*
21 *those related to **conservation** and understanding the bill. There is little*
22 *benefit to drawing customer attention to the reconciliation of amounts from*
23 *late decisions in 2012 and 2013.”¹⁹⁶*
24

¹⁹³ AVR Preliminary Statement, HH. Park Preliminary Statement, AA.

¹⁹⁴ A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 122. A.23-01-002, Exhibit B Park Revenue Requirement Report, at 126.

¹⁹⁵ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

¹⁹⁶ D.20-09-019, at 73.

1 The Commission authorized the CEBA to AVR for standard, compliance
2 surcharges such as to recover Interim Rates MA balances. Conservation surcharges are
3 an exact example of what the Commission deems as inappropriate for the CEBA.

4 2. Less Transparency

5 The genesis of this nefarious BAMA is Park’s Advice Letter (“AL”) 266-W-A
6 (Supplement to AL 266-W).¹⁹⁷ On March 4, 2016, Park filed AL 266-W to amortize
7 balances in its Income Tax Repair Regulations Implementation MA, its Low-Income
8 Customer Data Sharing Cost MA, its Cost of Capital MA and its Credit Card MA.
9 CEBA is not mentioned in AL 266-W. Two weeks later, Park filed the supplement AL
10 266-W-A. All previous BAMA requests as AL 266-W are included in AL 266-W-A, with
11 the addition of the below text:

12 *“Finally, Liberty Park Water is requesting authorization to establish the*
13 *Consolidated Expense Balancing Account to consolidate the amortization*
14 *of Commission approved balancing and memorandum accounts where*
15 *appropriate.”¹⁹⁸*
16

17 Park wrote a single sentence to support its need for the CEBA and validate its
18 request to consolidate 4 BAMA balances into a single amount. Years later, AVR
19 followed suit with its request to establish the CEBA to consolidate balances “where
20 appropriate”.

21 The use of the CEBA obscures the impact individual BAMAs have on rates. In its
22 semi-annual reports on balancing accounts, AVR and Park both provided an updated over
23 collected amount for amortization of \$88,961 and \$10,843.¹⁹⁹ At Cal Advocates’ request,
24 Liberty attempted to provide a breakdown of General Ledger transactions in the
25 CEBA.²⁰⁰ As shown in Attachment 3-8, Liberty provides no discerning descriptions for

¹⁹⁷ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

¹⁹⁸ AL-266 WA, at 3.

¹⁹⁹ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

²⁰⁰ Attachment 3-8: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4a 027-CR AV CEBA

1 which entries are attributed to which BAMA. The CEBA is essentially hiding from the
2 ratepayers, the Commission and Cal Advocates the true balances of specific BAMA.

3 The Commission should require Liberty to amortize the overcollections in its
4 CEBA and from here on, only allow the inclusion of accounts such as Interim Rates or
5 those relating to regulatory lag. Liberty should be required to stop the practice of hiding
6 BAMA inside other BAMA.

7 **F. Customer Assistance Program Revenue Reallocation**
8 **Balancing Account**

9 Liberty tracks the discounts and surcharges for its CAP program in the CAP
10 Revenue Reallocation Balancing Account. The Commission should keep this account
11 and amortize the most recent balances via CAP surcharge calculations, discussed in
12 *Chapter 2* of this report.

13 **G. Tangible Property Regulations Consequence**
14 **Memorandum Account (“TPRC”)**

15 The TPRC records the revenue requirement of the tax effects resulting from
16 implementing the Internal Revenue Service guidelines for the water industry for
17 determining which costs for maintaining, replacing, or improving property may be
18 expensed and which costs must be capitalized.²⁰¹ Liberty, with no explanation in its
19 application, combines the balance of the TPRC with its Employee Retiree Healthcare
20 Balancing Account (“ERHBA”) for AVR.²⁰² For Park, Liberty combines the TPRC with
21 its Conservation Expense One Way Balancing Account (“CEOWBA”).²⁰³ This arbitrary
22 consolidation of accounts further decreases the transparency of Liberty’s BAMA for the
23 ratepayers and the Commission. Liberty does not provide the TPRC balances in its

GL” and “Q4a 027-CR PW CEBA GL”, tab: transactions.

²⁰¹ AVR Preliminary Statement, Y. Park Preliminary Statement, Z.

²⁰² A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 127.

²⁰³ A.24-01-002, Exhibit B Park Revenue Requirement Report, at 122.

1 annual reports, only a total of the consolidated accounts.²⁰⁴ There is also no balance
2 provided in Liberty’s semi-annual reports of balance accounts.²⁰⁵

3 Even at Cal Advocates request for a breakdown of every AVR and Park BAMA
4 showing the current balances, Liberty only provided consolidated totals.²⁰⁶ Liberty’s
5 failure to provide a full breakdown prevents the determination of TPRC or CEOWBA
6 balances. Even the General Ledger (“GL”) entries show no entries for the TPRC in both
7 cases.²⁰⁷ With no entries and the lack of transparency for this account, the TPRC serves
8 no benefit to ratepayers. The Commission should require Liberty to immediately close
9 the TPRC.

10 **H. Conservation Expense One-Way Balancing Account**

11 The CEOWBA tracks the difference between actual and authorized conservation
12 expenses from Liberty’s previous GRC.²⁰⁸ As of December 31, 2023, both AVR and
13 Park have an overcollection of \$9,363 and \$17,358 respectively. The utilities should
14 amortize these balances and keep this account open, but not consolidated in Liberty’s
15 CEBA.

16 **I. Tax Cuts and Jobs Act Memorandum Account (“TCJA”)**

17 The TCJA tracks the impact of the TCJA on Liberty’s revenue requirement,
18 starting January 1, 2018.²⁰⁹ As of December 31, 2023, AVR reports an overcollection of
19 \$12,197 and Park reports an overcollection of \$39,042 for the TCJA.²¹⁰ Liberty did not

²⁰⁴ Annual Reports of AVR and Park, Schedule E-1.

²⁰⁵ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

²⁰⁶ Attachment 3-8: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4a 027-CR AV CEBA GL” and “Q4a 027-CR PW CEBA GL”, tab: transactions.

²⁰⁷ Attachment 3-8: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4a 027-CR AV CEBA GL” and “Q4a 027-CR PW CEBA GL”, tab: transactions.

²⁰⁸ AVR Preliminary Statement, CC. Park Preliminary Statement, Z.

²⁰⁹ AVR Preliminary Statement, DD. Park Preliminary Statement, CC.

²¹⁰ Attachment 3-9: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4a 027-CR AV TCJA 2023.12.31” and “Q4a 027-CR PW TCJA 2023.12.31”.

1 provide these updated balances in its 100-Day update, despite what AVR claimed in its
2 application.²¹¹ This is because Liberty consolidates multiple BAMA balances into its
3 CEBA for its semi-annual reports.²¹² This limits transparency of BAMA balances such
4 as the TCJA to the Commission.

5 Liberty and Cal Advocates already stipulated to close the TCJA after amortization
6 in its previous cycle.²¹³ However, Liberty has failed to properly credit the TCJA full
7 balance to both AVR and Park customers and so the account remains open. The
8 Commission should require Liberty to immediately amortize the overcollections and
9 require the utility to close the TCJA, in accordance with the previous GRC decision.²¹⁴

10 **J. Pension Expense Balancing Account**

11 Liberty's Pension Expense Balancing Account tracks the difference between
12 adopted and actual pension expenses. Unlike several other of Liberty's BAMA, Liberty
13 does not provide a balance for this account at the time of Liberty's application filing.
14 This is important as of December 31, 2023, the account balance has an under collection
15 of \$2,398,868 for AVR and \$2,987,823 for Park.²¹⁵ That is a total of \$5,386,691 Liberty
16 will eventually recover via surcharges, instead of base rates, on ratepayer bills. While
17 Liberty does not propose to amortize this balance in this GRC, the Commission should
18 expect an advice letter for a substantial impact on ratepayer bills, including low-income
19 ratepayers, in the future. This impact will result in a large surcharge to fund Liberty
20 employee pensions.

²¹¹ A.24-01-003, Exhibit B AVR Revenue Requirement Report, at 127.

²¹² Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

²¹³ Joint-19 AVR Stipulated Issues and Joint-20 Park Stipulated Issues.

²¹⁴ D.23-02-003, at 8.

²¹⁵ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

1 **K. AVR BAMA**

2 **1. Office Remodel Balancing Account (“ORBA”)**

3 The ORBA tracks the revenue requirement for a remodeling project of AVR’s
4 general office, which was proposed in 2011.²¹⁶ Since 2017 this account has maintained a
5 balance of \$0.²¹⁷ AVR does not provide any reason for this account to remain open, nor
6 does it even acknowledge its existence in its application. The Commission should require
7 AVR to immediately close this account since it no longer serves a purpose for the utility
8 or a benefit to ratepayers.

9 **2. Employee and Retiree Healthcare Balancing**
10 **Account (“ERHBA”)**

11 AVR uses the ERHBA to track and recover the difference between actual and
12 adopted costs of employee and retiree healthcare expenses.²¹⁸ As of December 31, 2023,
13 the ERHBA records an over collection of \$932.²¹⁹ Since 2022, this account has reported
14 minimal totals. The Commission should authorize Park to amortize the remaining
15 balance of \$932 and immediately close the ERHBA, since the minimal balance shows
16 base rates are an appropriate and accurate recovery system for AVR health care expenses.

17 **3. Incremental Cost Balancing Account – Irrigation**

18 AVR uses the Incremental Cost Balancing Account to track water production costs
19 related to its gravity irrigation system.²²⁰ At the time of its application, AVR requested
20 amortization of an under collection of \$150,408. As of December 31, 2023, the under
21 collection in the Incremental Cost Balancing Account for Irrigation is now \$285,102.²²¹

²¹⁶ D.12-09-004, at 17.

²¹⁷ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

²¹⁸ AVR Preliminary Statement, S.

²¹⁹ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

²²⁰ AVR Preliminary Statement, J.

²²¹ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

1 The Commission should authorize amortization of the \$285,102 under collection in this
2 account.

3 **L. Park BAMA**

4 **1. Sativa Revenue Memorandum Account**

5 As mentioned in *Chapter 2*, Liberty tracked revenue from selling water to the
6 Sativa Los Angeles County Water District in its SRMA.²²² Since Sativa was acquired by
7 Suburban, Liberty no longer tracks revenues in the SRMA, and is requesting to close the
8 account after amortizing an overcollection of \$287,258.²²³ Liberty attempted to record
9 the revenue in accordance with the Commission’s rules for determining passive NTPS
10 revenues but failed to do so.

11 D.12-01-042 requires the revenue from a passive be shared 30% to ratepayers and
12 70% to shareholders. The decision also requires the revenue sharing function only
13 activate after an initial \$100,000 of revenue is collected from the NTPS and attributed to
14 the ratepayers, if the utility receives more than \$100,000 of “other operating revenues.”²²⁴
15 Park recorded \$424,335 in “other operating revenues” or miscellaneous revenues as
16 Liberty refers to it.²²⁵ Therefore, the first \$100,000 of revenues from the contract
17 between Park and Sativa Los Angeles County Water District must go directly to the
18 ratepayer. Park does not do so.²²⁶

19 To remedy Park’s error, the first three months of revenue from the Sativa contract
20 must be fully attributed to the ratepayers, which totals the required initial \$100,000. The
21 larger balance from earlier on compounds with interest to a balance of \$360,776, an

²²² AL 321-W.

²²³ A.24-01-002, Exhibit B AVR Revenue Requirement Report, at 124.

²²⁴ D.12-01-042, Appendix A, Rule X.C.4.

²²⁵ Attachment 1-17: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q5b 02-CR Park NTPS 2018-2023”.

²²⁶ Attachment 3-10: Liberty’s Response to Cal Advocates Data Request 027-CR, “Q4b 027-CR PW Sativa Revenue MA 2023.12.31”, tab: “2021”.

1 overcollection of \$73,518 more than Park proposes. The Commission should authorize
2 the amortization of \$360,776 and immediately close the SRMA after.

3 **2. Suburban Revenue Memorandum Account**

4 Park tracks the customer share of revenue from providing water to Suburban. For
5 recommendations on Park’s Suburban Revenue Memorandum Account, see *Chapter 1* of
6 this report.

7 **3. Incremental Cost Balancing Account – Recycled**
8 **Water**

9 Park tracks the incremental costs related to producing recycled water in its
10 Incremental Cost Balancing Account for Recycled Water.²²⁷ At the time of its
11 application, Park requested amortization of an under collection of \$25,785.²²⁸

12 As of December 31, 2023, the under collection in the Incremental Cost Balancing
13 Account for Potable Water is now \$26,443.²²⁹ The Commission should authorize
14 amortization of the \$26,443 under collection in this account.

15 **4. Incremental Cost Balancing Account – Potable**
16 **Water**

17 Park tracks the water supply related costs for the potable water system.²³⁰ At the
18 time of its application, Park requested amortization of an under collection of \$597,490.²³¹

19 As of December 31, 2023, the under collection in the Incremental Cost Balancing
20 Account for Potable Water is now \$688,898.²³² The Commission should authorize
21 amortization of the \$688,898 under collection in this account.

²²⁷ D.20-09-019.

²²⁸ A.24-01-002, Exhibit B Park Revenue Requirement Report, at 123.

²²⁹ Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

²³⁰ Park preliminary statement, PP.

²³¹ A.24-01-002, Exhibit B Park Revenue Requirement Report, at 123.

²³² Attachment 2-4: Liberty Apple Valley and Park Semi Annual Reports on Balancing Accounts for December 31, 2023.

1 **IV. CONCLUSION**

2 In numerous instances, Liberty lacks transparency and is non-compliant with its
3 Balancing and Memorandum Accounts. The utility's attempts to establish BAMA
4 circumvents the GRC process. Additionally, the repeated mistakes in its calculation of
5 existing BAMA balances brings into question the reasonableness of allowing more
6 BAMA to be created.

7

1
2

LIST OF ATTACHMENTS FOR CHAPTER 3
(See Appendix B)

Attachment	Description
3-1	Answer of Responded to Petitions for Writ of Review
3-2	Executive Order B-37-16
3-3	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW CEMA COVID 2023.12.31, and Q4a 027-CR AV CEMA COVID 2023.12.31
3-4	Liberty's Response to Cal DR 009-KN, Q1.b.
3-5	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR AV CEMA COVID 2023.12.31
3-6	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW CEMA COVID 2023.12.31
3-7	California Extended Water and Wastewater Arrearage Parment Program Current List of Applicants and Application Review States (as of 2/2/2024)
3-8	Liberty's Response to Cal Advocates Data Request 027-CR, Q4a 027-CR AV CEBA GL and Q4a 027-CR PW CEBA GL
3-9	Liberty's Response to Cal Advocates Data Request 027-CR, Q4a 027-CR AV TCJA 2023.12.31 and Q4a 027-CR PW TCJA 2023.12.31
3-10	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW Sativa Revenue MA 2023.12.31

3
4

APPENDIX A
QUALIFICATIONS OF WITNESSES

**STATEMENT OF QUALIFICATIONS
OF
CHRIS RONCO**

1
2
3
4 Q.1 Please state your name and address.

5
6 A.1 My name is Chris Ronco and my business address is 505 Van Ness Avenue, San
7 Francisco, California 94102.
8

9 Q.2 By whom are you employed and what is your job title?

10
11 A.2 I am a Public Utilities Regulatory Analyst in the Water Branch of the Public
12 Advocates Office.
13

14 Q.3 Please describe your educational and professional experience.

15
16 A.3 I received a Bachelor of Science Degree in Environmental Economics & Policy
17 and a Bachelor of Arts Degree in Geography from the University of California,
18 Berkeley in 2019. My previous professional experience includes working as a
19 water conservation assistant and as an intern with a resource conservation district.
20 I have been with the Public Advocates Office – Water Branch since October 2019,
21 during which I have worked on several General Rate Cases.
22

23 Q.4 What is your area of responsibility in this proceeding?

24
25 A.4 In this proceeding I prepared analysis and testimony addressing Park and AVR's
26 proposal for Sales Forecasting, Revenues, Rate Design, and Balancing and
27 Memorandum Accounts.
28

29 Q.5 Does that complete your prepared testimony?

30
31 A. Yes, it does.

APPENDIX B

LIST OF ATTACHMENTS FOR CHAPTER 1

Attachment #	Description
1.1	Liberty's Response to Cal Advocates Data Request CR -005, Q.3. and Liberty's Response to Cal Advocates Data Request 017-CR, Q.3.
1.2	Liberty's Response to Cal Advocates Data Request CR-005 and 017-CR, Q2 – CR-005 00 FINAL AVR Forecast
1.3	Liberty's Response to Cal Advocates Data Request 017-CR, Q2 a-01 – 017-CR PW Residential Forecast
1.4	Liberty's Response to Cal Advocates Data Request CR-005, Q2 – CR -005 AVR Residential Forecast
1-5	Liberty's Response to Cal Advocates Data Request 026-CR, Q2 026-CR AVR, Q2 026-CR PW
1-6	Liberty 100 Day Update, Files 00 FINAL AVR Forecast and 00 FINAL PARK Forecast
1-7	National Oceanic and Atmospheric Administration (“NOAA”) precipitation data for Downtown LA and Pearblossom
1-8	Letter of CPUC Executive Director Alice Stebbins directing utilities to implement customer protections
1-9	Letter of the Office of the Attorney General
1-10	Liberty's Response to Cal Advocates Data Request 026-CR, Q1 026-CR AVR and Q1 026-CR PW
1-11	Liberty's Response to Cal Advocates Data Request 027-CR, Q5c 027-CR Bell Gardens O&M Agreement, at 8.
1-12	Liberty's Response to Cal Advocates Data Request 027-CR, Q5c 027-CR Suburban Service Agreement
1-13	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW Sativa Revenue MA 2023.12.31
1-14	A.23-01-001, Suburban's Response to Cal Advocates Data Request CR8-009, Q.1
1-15	Liberty's Response to Cal Advocates Data Request 027-CR, no data on the Suburban Revenue Memorandum Account was provided, despite being requested in Attachment 2
1-16	Liberty's Response to Cal Advocates Data Request 027-CR, Q5b 02-CR Park NTPS 2018-2023

LIST OF ATTACHMENTS FOR CHAPTER 2

Attachment #	Description
2-1	Liberty's Response to Cal Advocates Data Request 027-CR, Q1a 027-CR Fixed Costs
2-2	Liberty's Response to Cal Advocates Data Request 020-CR, Q1 020-CR AV CAP Discount Surcharge Calc
2-3	Liberty's Response to Cal Advocates Data Request 020-CR, Q1 020-CR PW CAP Discount Surcharge Calc
2-4	Liberty Park Water Semi Annual Report or Liberty Park Semi Annual Report on Balancing Accounts for December 31, 2023 or Liberty Apple Valley Semi Annual Reports on Balancing Accounts for December 31, 2023.

LIST OF ATTACHMENTS FOR CHAPTER 3

Attachment #	Description
3-1	Answer of Responded to Petitions for Writ of Review
3-2	Executive Order B-37-16
3-3	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW CEMA COVID 2023.12.31, and Q4a 027-CR AV CEMA COVID 2023.12.31
3-4	Liberty's Response to Cal DR 009-KN, Q1.b.
3-5	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR AV CEMA COVID 2023.12.31
3-6	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW CEMA COVID 2023.12.31
3-7	California Extended Water and Wastewater Arrearage Parment Program Current List of Applicants and Application Review States (as of 2/2/2024)
3-8	Liberty's Response to Cal Advocates Data Request 027-CR, Q4a 027-CR AV CEBA GL and Q4a 027-CR PW CEBA GL
3-9	Liberty's Response to Cal Advocates Data Request 027-CR, Q4a 027-CR AV TCJA 2023.12.31 and Q4a 027-CR PW TCJA 2023.12.31
3-10	Liberty's Response to Cal Advocates Data Request 027-CR, Q4b 027-CR PW Sativa Revenue MA 2023.12.31

Attachment 1-1:

Liberty's Response to Cal Advocates

Data Request CR -005, Q.3. and

Liberty's Response to Cal Advocates

Data Request 017-CR, Q.3.



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

March 18, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 017-CR (Park Customers and Sales)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Chris Ronco Chris.Ronco@cpuc.ca.gov

Date Received: March 11, 2024

Due Date: March 18, 2024

Note: References are for A.24-01-002 (Park) Application and accompanying exhibits.

REQUEST NO. 1:

The following questions refer to Exhibit B Revenue Requirement Report:

- a) Page 28 of the report states “Table III-6 contains the historic and projected number of customers. That data was used to project future customer growth.” Please explain, for each of the customer classes in Table III-6, how the data was used to forecast 2024, 2025, 2026, 2027 and 2028 customers. Provide, in Excel format, the calculations used to arrive at each years’ forecasts.
- b) Table III-6 includes the number of resale customers. Please provide a list of the names of these customers for every year where resale customers are included.
 - i) If they are not included in the list, please explain why Suburban Water Systems (“SWS”), mentioned on page 132 of the report, is not included in this table?

- c) Please provide the number of customers, the total consumption and the unit consumption for the Monthly Industrial customer classes for years 2012-2022.
 - i) Page 35 of the report states “Liberty has just five Industrial customers.” However, in Parks workpaper “PW25 Rate Design”, tab “BDs (Figure 1)”, rows 56 and 57, Liberty forecasts four total customers. Please explain why Liberty forecast a decrease in industrial customers?
 - ii) Page 35 also states Park is in progress of converting industrial customers from bi-monthly to monthly billing, beginning in June 2015. Please provide the number of customers converted for each year since 2015.

RESPONSE:

- a) Please see attachment “Q2 - 017-CR 00 FINAL PARK Forecast.” Tabs “CustFcast Method” and “UseFcast Method” list the method used for each customer class. Liberty used R (a statistical software tool) for its customers and sales forecasts. Please see the attachments with preface Q2.
- b) 2022 was the first year to include resale customers. Please see below for the customer information.

Account Number	Customer Name
20000710XXXX	California American Water
20000710XXXX	California American Water

- i. The customers that are included in this customer class are billed under Liberty's authorized tariffs. SWS is under the non-tariff products and services (NTP&S) and not subject to Liberty's tariff rates. SWS and Liberty executed the NTP&S contract and the Commission approved Advice Letter 330-W with an effective date of December 24, 2022.
 - c) Please see attachment “Q2 - 017-CR 00 FINAL PARK Forecast.” Industrial customers are named “INDm” in the spreadsheet.
 - i. In 2018, Park had five industrial customers and it decreased to four in 2019. Since 2019, there have been four customers. Therefore, no growth is projected for this customer class.
 - ii. In June 2015, two industrial customers were converted from bi-monthly to monthly billing. No additional customers have been converted since 2015.

REQUEST NO. 2:

The following questions refer to Section 3 Workpapers – Central Basin. Provide all information in Excel format:

- a) Please provide the data used, the results for the econometric models, and the calculations using those result to arrive at Park's proposed sales per customer, for the following customer classes. Be sure to include in Excel format:
 - i) Residential Bi-Monthly
 - ii) Business Bi-Monthly
 - iii) Business Monthly
 - iv) Industrial Monthly
 - v) Industrial Bi-Monthly
 - vi) Public Authority Bi-Monthly
 - vii) Public Authority Monthly
 - viii) Temp Monthly
 - ix) Reclaimed Monthly

RESPONSE:

Liberty used R (a statistical software tool) for its customer and sales forecasts. Please see the attachments with preface Q2. Please note industrial monthly and bi-monthly customers were combined for forecasting purposes.

REQUEST NO. 3:

Please provide monthly CCF consumption data for each of Liberty Park's customers for the 12-month period starting in January 2023 and ending with December 2023. Please provide this in Excel format with a separate row providing the consumption over the same 12-month period for each customer including the meter-size for servicing the customer, whether the connection is currently active, and if the customer is enrolled in the Customer Assistance Program ("CAP"). Provide a separate Excel Tab/Worksheet for each different customer class. See format example below.

Customer Identifier	Currently Active?	Meter Size	CAP Customer?	Jan. 2023 CCF	....	...	Dec. 2023 CCF
#1	Y	5/8 in	Y	6.6	....	....	4.2
#2	N	3/4 in	Y	8.9	....	....	5.3

RESPONSE:

Liberty will provide the 2023 recorded data in the 100-day update (April 11, 2024) as provided for in the rate case plan (RCP).

This completes the response to Data Request No. 017-CR. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments



Liberty Utilities (Apple Valley Ranchos
Water) Corp.
21760 Ottawa Road
Apple Valley, CA 92308-6533
Tel: 760-247-6484
Fax: 760-247-1654

February 8, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: CR-005 (AVR Customers and Sales, A24.01.003)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Chris Ronco Chris.Ronco@cpuc.ca.gov

Date Received: February 1, 2024

Due Date: February 8, 2024

REQUEST NO. 1:

The following questions refer to Exhibit B Revenue Requirement Report:

- a) Page 28 of the report states “Liberty Apple Valley does not expect any customer growth for Pressure Irrigation.” Please explain why Liberty expects no growth for Pressure Irrigation customers, despite consistent increases in the number of customers since 2019, except in 2021, as shown in Table III-5 of the report.

- b) Pages 28 and 30 state Liberty used a five-year average customer growth over the period 2018-2022 to forecast the number of Residential and Commercial customers. Please provide, in Excel format, calculations using the recorded numbers in Table III-5 of the report to support the resulting 2025-2026, 2026-2027 and 2027-2028 forecasts.
- c) Please explain the forecast method for the number of Yermo Residential and Yermo Business customers. Be sure to include, in Excel format, calculations to support these forecasts.
- d) In regard to Liberty's proposed Industrial sales per customer forecast, page 36 states "Liberty Apple Valley rejects the econometric model in favor of the 12-month record usage ending December 2022", resulting in forecast of 451 CCFs per customer. However, Table III-5 shows the 2022 CCFs per customer was 431 CCFs per customer. Please explain the discrepancy and provide the calculations, in Excel format, to support the 451 CCFs per customer forecast.
- e) Please provide, in Excel format, the calculations supporting Liberty's proposed sales per customer forecasts for the following customer classes:
 - i) Private Fire Service
 - ii) Irrigation Gravity
 - iii) Temporary Bi-Monthly

RESPONSE:

- a) For the customer class of Pressure Irrigation, the number of customers has steadily declined over the last 12-month recorded periods (May 2022 through April 2023). This customer class does not experience much volatility. As such, the recorded customers of 157 for the month of April 2023 was used to forecast for the estimated years 2025 through 2028. Please see the attachment "Q2 - CR-005 00 FINAL AVR Forecast", tab "Cust Cnt Month", lines "H127:H138".
- b) Please see the workpaper Excel file "AV25 Unaccounted Water", tab "Sales Forecast". This shows the resulting forecasts for years 2025-2026, 2026-2027 and 2027-2028. Also, please see response to Question 2.
- c) As indicated in response to Question 2, Liberty used R for the customers and sales forecasts. Yermo's residential and business customers forecasts were based on a two-year compound annual growth rate (CAGR). Please see the response to Question 2 and attachment "Q2 - CR-005 FINAL AVR Forecast".

- d) The 451 CCFs were based on the last 12 months recorded data (May 2022 through April 2023). Please see the attachment "Q2 – CR-005 00 FINAL AVR Forecast", tab "Monthly Use", lines "F127:F138).
- e) As indicated in response to Question 2, Liberty used R for the customers and sales forecasts. Please see the attachments with preface Q1e.

REQUEST NO. 2:

The following questions refer to Section 3 Workpapers – Apple Valley Ranchos Water Use. Provide all information in Excel format:

- a) Please provide the data used, the results for the econometric models, and how the calculations using those result to arrive at Liberty's proposed sales per customer, for the following customer classes:
 - i) Residential
 - ii) Commercial
 - iii) Public Authority
 - iv) Pressure Irrigation
 - v) Yermo Residential
 - vi) Yermo Business
 - vii) Yermo Public Authority

RESPONSE:

Liberty used R (a statistical software tool) for its customers and sales forecasts. Below are the data and results. Please see the attachments with preface Q2.

REQUEST NO. 3:

Please provide monthly CCF consumption data for each of Liberty AVR's customers for the 12-month period starting in January 2023 and ending with December 2023. Please provide this in Excel format with a separate row providing the consumption over the same 12-month period for each customer including the meter-size for servicing the customer, whether the connection is currently active, and if the customer is enrolled in the Customer Assistance Program ("CAP").

Provide a separate Excel Tab/Worksheet for each different customer class. See format example below.

Customer Identifier	Currently Active?	Meter Size	CAP Customer?	Jan. 2023 CCF	....	...	Dec. 2023 CCF
#1	Y	5/8 in	Y	6.6	....	....	4.2
#2	N	3/4 in	Y	8.9	....	....	5.3

RESPONSE:

Liberty will provide the 2023 recorded data in the 100-day update as provided for in the rate case plan (RCP).

This completes the response to Data Request No. CR-005. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Rate_Sch	Fcast_Method
RESbm	Regression
BUSbm	Regression
BUSm	Regression
INDm	No Growth
PAbm	5 Year Avg.
PAm	CAGR 5yr
FPbm	CAGR 2yr
FPm	CAGR 2yr
HYDbm	5 Year Avg.
resalem	5 Year Avg.
TMPbm	5 Year Avg.
REcm	No Growth
TMPm	5 Year Avg.
MC_RESm	No Growth
MC_BUSm	No Growth
MC_FPm	No Growth

Rate_Sch	Fcast_Method
RESbm	Regression
BUSbm	5 Year Forecast
INDbm	No Growth
PAbm	No Growth
FPbm	CAGR 2yr
IPAbm	No Growth
IPrbm	No Growth
IGbm	No Growth
AVGCbm	No Growth
TMPbm	5 Year Forecast
TMPm	No Growth
YRESm	CAGR 2yr
YBUSm	CAGR 2yr
YINDm	No Growth
YPUBm	No Growth
YPFm	No Growth
YHYDm	No Growth

Attachment 1-2:
Liberty's Response to Cal Advocates
Data Request CR-005 and
017-CR, Q2 – CR-005 00
FINAL AVR Forecast

Rate_Sch	Fcast_Method
RESbm	Regression
BUSbm	Regression
BUSm	Regression
INDm	Regression
PAbm	Regression
PAm	Regression
FPbm	Recent 12 Mo
Fpm	5 Year Avg.
HYDbm	5 Year Avg.
resalem	5 Year Avg.
TMPm	5 Year Avg.
TMPbm	5 Year Avg.
REcm	5 Year Avg.
MC_RESm	Recent 12 Mo
MC_BUSm	Recent 12 Mo
MC_Fpm	Recent 12 Mo

Rate_Sch	Fcast_Method
RESbm	Regression
BUSbm	Regression
IND	Recent 12 mo.
PA	Regression
FP	5 year avg.
IPa	Regression
IPr	Regression
IG	5 year avg.
AVGC	Recent 12 mo.
TMPbm	5 year avg.
TMPm	5 year avg.
YRes	Regression
YBus	Regression
YInd	5 year avg.
YPUB	Regression
YPF	Recent 12 mo.
YHYD	Recent 12 mo.

Attachment 1-3:
Liberty's Response to Cal Advocates
Data Request 017-CR,
Q2 a-01 – 017-CR PW Residential Forecast

Attachment 1-4:
Liberty's Response to Cal Advocates
Data Request CR-005,
Q2 – CR -005 AVR Residential Forecast

09/01/2022	15.1209801	16.7883376		0.08625	88.3875	129	0	0	0	0	0	0	0	0	0	0	1	0	0	1	4.796	0			
10/01/2022	13.7239102	14.4099378		0.1596667	81.925	130	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	4.796	0		
11/01/2022	11.993924	12.6880638		0.0570833	69	131	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	4.796	0		
12/01/2022	9.36478121	9.5705619		0.09025	55.025	132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.796	0	
01/01/2023	8.92927049	8.2725628		0.2016667	48.0125	133	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.796	0	
02/01/2023	7.88689341	7.3697762		0.194375	46.825	134	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.796	0	
03/01/2023	7.45981269	6.99984026		0.32575	48.125	135	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	4.796	0	
04/01/2023	8.14825981	8.3656597		0.1260833	53.875	136	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	4.69566667	0	
05/01/2023	10.8614015	11.5530959	11.3531747	0.13197446	63.5666667	125	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	4.69566667	0
06/01/2023	13.0110335	12.9364635	12.8262896	0.06939785	71.4754032	126	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	4.69566667	0
07/01/2023	14.8848756	14.539923	15.4136375	0.02565	79.7525	127	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	4.95666667	0
08/01/2023	15.5564247	15.0719527	16.0258838	0.02630556	84.8254167	128	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	4.95666667	0
09/01/2023	15.9194222	15.1209801	16.533008	0.07460139	84.08625	129	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	4.95666667	0
10/01/2023	13.8314391	13.7239102	14.6972622	0.06048056	77.3715278	130	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	4.95666667	0
11/01/2023	12.1184279	11.993924	13.0717257	0.07102917	66.6963889	131	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	4.95666667	0
12/01/2023	9.53506748	9.36478121	9.9913534	0.10179722	55.8025	132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	4.95666667	0
01/01/2024	8.40655335	8.92927049	9.26428433	0.15188575	49.0494624	133	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
02/01/2024	7.37983353	7.88689341	8.07676748	0.2557621	48.409543	134	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
03/01/2024	7.50003836	7.45981269	8.13642564	0.24308602	51.7705645	135	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
04/01/2024	8.40580626	8.14825981	8.92191812	0.24044892	57.0614247	136	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
05/01/2024	10.6257305	11.5530959	11.3531747	0.13197446	63.5666667	125	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
06/01/2024	12.732652	12.9364635	12.8262896	0.06939785	71.4754032	126	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
07/01/2024	14.8848756	14.539923	15.4136375	0.02565	79.7525	127	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	4.95666667	0
08/01/2024	15.5564247	15.0719527	16.0258838	0.02630556	84.8254167	128	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	4.95666667	0
09/01/2024	15.9194222	15.1209801	16.533008	0.07460139	84.08625	129	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	4.95666667	0
10/01/2024	13.8314391	13.7239102	14.6972622	0.06048056	77.3715278	130	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	4.95666667	0
11/01/2024	12.1184279	11.993924	13.0717257	0.07102917	66.6963889	131	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	4.95666667	0
12/01/2024	9.53506748	9.36478121	9.9913534	0.10179722	55.8025	132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	4.95666667	0
01/01/2025	8.40655335	8.92927049	9.26428433	0.15188575	49.0494624	133	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
02/01/2025	7.37983353	7.88689341	8.07676748	0.2557621	48.409543	134	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
03/01/2025	7.50003836	7.45981269	8.13642564	0.24308602	51.7705645	135	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
04/01/2025	8.40580626	8.14825981	8.92191812	0.24044892	57.0614247	136	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
05/01/2025	10.6257305	11.5530959	11.3531747	0.13197446	63.5666667	125	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
06/01/2025	12.732652	12.9364635	12.8262896	0.06939785	71.4754032	126	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
07/01/2025	14.8848756	14.539923	15.4136375	0.02565	79.7525	127	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	4.95666667	0
08/01/2025	15.5564247	15.0719527	16.0258838	0.02630556	84.8254167	128	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	4.95666667	0
09/01/2025	15.9194222	15.1209801	16.533008	0.07460139	84.08625	129	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	4.95666667	0
10/01/2025	13.8314391	13.7239102	14.6972622	0.06048056	77.3715278	130	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	4.95666667	0
11/01/2025	12.1184279	11.993924	13.0717257	0.07102917	66.6963889	131	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	4.95666667	0
12/01/2025	9.53506748	9.36478121	9.9913534	0.10179722	55.8025	132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	4.95666667	0
01/01/2026	8.40655335	8.92927049	9.26428433	0.15188575	49.0494624	133	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
02/01/2026	7.37983353	7.88689341	8.07676748	0.2557621	48.409543	134	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
03/01/2026	7.50003836	7.45981269	8.13642564	0.24308602	51.7705645	135	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
04/01/2026	8.40580626	8.14825981	8.92191812	0.24044892	57.0614247	136	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
05/01/2026	10.6257305	11.5530959	11.3531747	0.13197446	63.5666667	125	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
06/01/2026	12.732652	12.9364635	12.8262896	0.06939785	71.4754032	126	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
07/01/2026	14.8848756	14.539923	15.4136375	0.02565	79.7525	127	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	4.95666667	0
08/01/2026	15.5564247	15.0719527	16.0258838	0.02630556	84.8254167	128	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	4.95666667	0
09/01/2026	15.9194222	15.1209801	16.533008	0.07460139	84.08625	129	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	4.95666667	0
10/01/2026	13.8314391	13.7239102	14.6972622	0.06048056	77.3715278	130	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	4.95666667	0
11/01/2026	12.1184279	11.993924	13.0717257	0.07102917	66.6963889	131	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	4.95666667	0
12/01/2026	9.53506748	9.36478121	9.9913534	0.10179722	55.8025	132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	4.95666667	0
01/01/2027	8.40655335	8.92927049	9.26428433	0.15188575	49.0494624	133	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
02/01/2027	7.37983353	7.88689341	8.07676748	0.2557621	48.409543	134	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
03/01/2027	7.50003836	7.45981269	8.13642564	0.24308602	51.7705645	135	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
04/01/2027	8.40580626	8.14825981	8.92191812	0.24044892	57.0614247	136	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	4.95666667	0
05/01/																									

**Attachment 1-5: Liberty's Response to Cal
Advocates Data Request 026-CR,
Q2 026-CR AVR, Q2 026-CR PW**



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

April 19, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 026-CR (100 Day Update Data, 4 Attachments)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Chris Ronco Chris.Ronco@cpuc.ca.gov

Date Received: April 17, 2024

Due Date: April 24, 2024

REQUEST NO. 1:

In response to Cal Advocates Data Request # 005-CR and Data Request #017-CR, Liberty claimed it would provide 2023 recorded monthly sales data in the 100-day update separated by each of its customer class. However, in its 100 day update, Liberty failed to correctly separate the data by each of its 11 AVR customer classes and its 15 Park customer classes. Using the attached excel files, please separate the sales data provided by Liberty in the 100 day update into the correct customer class tabs. Use Attachment 1 for AVR and Attachment 2 for Park.

RESPONSE:

Please see the attachments with preface Q1.

REQUEST NO. 2:

Despite updating several of its workpapers with 2023 recorded numbers in its 100 day update, Liberty failed to update both the "AV25 Miscellaneous Revenues" and "PW25 Miscellaneous Revenues" files. Please see Attachments 3 and 4 and fill in the yellow highlighted cells with the recorded 2023 numbers.

RESPONSE:

Please see the attachments with preface Q2.

This completes the response to Data Request No. 026-CR. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Contract		Low				Total	Tier 1	Tier 2	Tier 3	
Account	Customer Class	Bill Year	Bill Month	Income	Active	Meter Size	Consumpt ion	Consumpt ion	Consumpt ion	Consumpt ion
200006519975	Residential	2023	1	N	Y	5/8"	34	22.00	12.00	0.00
200006526160	Residential	2023	1	N	Y	5/8"	17	17.00	0.00	0.00
200006519769	Residential	2023	2	N	Y	5/8"	7	7.00	0.00	0.00
200006519827	Residential	2023	2	N	Y	5/8"	7	7.00	0.00	0.00
200006519843	Residential	2023	2	N	Y	5/8"	5	5.00	0.00	0.00
200006526046	Residential	2023	2	N	Y	5/8"	35	22.00	13.00	0.00
200006526178	Residential	2023	2	N	Y	5/8"	11	11.00	0.00	0.00
200006526186	Residential	2023	2	N	Y	5/8"	9	9.00	0.00	0.00
200006519975	Residential	2023	3	N	Y	5/8"	30	22.00	8.00	0.00
200006526160	Residential	2023	3	N	Y	5/8"	13	13.00	0.00	0.00
200006519769	Residential	2023	4	N	Y	5/8"	5	5.00	0.00	0.00
200006519827	Residential	2023	4	N	Y	5/8"	9	9.00	0.00	0.00
200006519843	Residential	2023	4	N	Y	5/8"	4	4.00	0.00	0.00
200006526046	Residential	2023	4	N	Y	5/8"	61	22.00	22.00	17.00
200006526178	Residential	2023	4	N	Y	5/8"	10	10.00	0.00	0.00
200006526186	Residential	2023	4	N	Y	5/8"	8	8.00	0.00	0.00
200006519975	Residential	2023	5	N	Y	5/8"	31	17.00	14.00	0.00
200006526160	Residential	2023	5	N	Y	5/8"	7	7.00	0.00	0.00
200006519769	Residential	2023	6	N	Y	5/8"	8	8.00	0.00	0.00
200006519827	Residential	2023	6	N	Y	5/8"	15	12.00	3.00	0.00
200006519843	Residential	2023	6	N	Y	5/8"	20	12.00	8.00	0.00
200006526046	Residential	2023	6	N	Y	5/8"	24	12.00	12.00	0.00
200006526178	Residential	2023	6	N	Y	5/8"	15	11.00	4.00	0.00
200006526186	Residential	2023	6	N	Y	5/8"	17	11.00	6.00	0.00
200006519975	Residential	2023	7	N	Y	5/8"	31	12.00	19.00	0.00
200006526160	Residential	2023	7	N	Y	5/8"	14	12.00	2.00	0.00
200006519769	Residential	2023	8	N	Y	5/8"	9	9.00	0.00	0.00
200006519827	Residential	2023	8	N	Y	5/8"	14	12.00	2.00	0.00
200006519843	Residential	2023	8	N	Y	5/8"	7	7.00	0.00	0.00
200006526046	Residential	2023	8	N	Y	5/8"	46	12.00	34.00	0.00
200006526178	Residential	2023	8	N	Y	5/8"	16	12.00	4.00	0.00
200006526186	Residential	2023	8	N	Y	5/8"	31	12.00	19.00	0.00
200006519975	Residential	2023	9	N	Y	5/8"	53	12.00	40.00	1.00
200006526160	Residential	2023	9	N	Y	5/8"	19	12.00	7.00	0.00
200006519769	Residential	2023	10	N	Y	5/8"	9	9.00	0.00	0.00
200006519827	Residential	2023	10	N	Y	5/8"	13	12.00	1.00	0.00
200006519843	Residential	2023	10	N	Y	5/8"	3	3.00	0.00	0.00
200006526046	Residential	2023	10	N	Y	5/8"	30	12.00	18.00	0.00
200006526178	Residential	2023	10	N	Y	5/8"	17	12.00	5.00	0.00
200006526186	Residential	2023	10	N	Y	5/8"	9	9.00	0.00	0.00
200006519975	Residential	2023	11	N	Y	5/8"	52	12.00	40.00	0.00
200006526160	Residential	2023	11	N	Y	5/8"	17	12.00	5.00	0.00
200006519769	Residential	2023	12	N	Y	5/8"	5	5.00	0.00	0.00
200006519827	Residential	2023	12	N	Y	5/8"	13	12.00	1.00	0.00
200006519843	Residential	2023	12	N	Y	5/8"	4	4.00	0.00	0.00
200006526046	Residential	2023	12	N	Y	5/8"	33	12.00	21.00	0.00
200006526178	Residential	2023	12	N	Y	5/8"	17	12.00	5.00	0.00
200006526186	Residential	2023	12	N	Y	5/8"	0	0.00	0.00	0.00

Contract Account	Customer Class	Bill Year	Bill Month	Low		Meter Size	Total	Tier 1	Tier 2	Tier 3
				Income	Active		Consumpt ion	Consumpt ion	Consumpt ion	Consumpt ion
200006582593	Residential	2023	1	Y	Y	5/8"	6	6.00	0.00	0.00
200006582601	Residential	2023	1	Y	Y	5/8"	12	12.00	0.00	0.00
200006582619	Residential	2023	1	Y	Y	5/8"	6	6.00	0.00	0.00
200006582635	Residential	2023	1	N	Y	5/8"	10	10.00	0.00	0.00
200006582650	Residential	2023	1	N	Y	5/8"	10	10.00	0.00	0.00
200006582668	Residential	2023	1	N	Y	5/8"	12	12.00	0.00	0.00
200006582676	Residential	2023	1	Y	Y	5/8"	17	16.00	1.00	0.00
200006582734	Residential	2023	1	Y	Y	5/8"	17	16.00	1.00	0.00
200006582593	Residential	2023	2	Y	Y	5/8"	3	3.00	0.00	0.00
200006582601	Residential	2023	2	Y	Y	5/8"	6	6.00	0.00	0.00
200006582619	Residential	2023	2	Y	Y	5/8"	4	4.00	0.00	0.00
200006582635	Residential	2023	2	N	Y	5/8"	2	2.00	0.00	0.00
200006582650	Residential	2023	2	N	Y	5/8"	5	5.00	0.00	0.00
200006582668	Residential	2023	2	N	Y	5/8"	5	5.00	0.00	0.00
200006582676	Residential	2023	2	Y	Y	5/8"	9	7.63	1.37	0.00
200006582734	Residential	2023	2	Y	Y	5/8"	8	7.63	0.37	0.00
200006582593	Residential	2023	4	Y	Y	5/8"	7	7.00	0.00	0.00
200006582601	Residential	2023	4	Y	Y	5/8"	19	16.00	3.00	0.00
200006582619	Residential	2023	4	Y	Y	5/8"	7	7.00	0.00	0.00
200006582635	Residential	2023	4	N	Y	5/8"	4	4.00	0.00	0.00
200006582650	Residential	2023	4	N	Y	5/8"	12	12.00	0.00	0.00
200006582668	Residential	2023	4	N	Y	5/8"	11	11.00	0.00	0.00
200006582676	Residential	2023	4	Y	Y	5/8"	16	16.00	0.00	0.00
200006582734	Residential	2023	4	N	Y	5/8"	26	16.00	10.00	0.00
200006582593	Residential	2023	6	Y	Y	5/8"	7	7.00	0.00	0.00
200006582601	Residential	2023	6	N	Y	5/8"	20	12.00	8.00	0.00
200006582619	Residential	2023	6	Y	Y	5/8"	10	10.00	0.00	0.00
200006582635	Residential	2023	6	N	Y	5/8"	6	6.00	0.00	0.00
200006582650	Residential	2023	6	N	Y	5/8"	13	12.00	1.00	0.00
200006582668	Residential	2023	6	N	Y	5/8"	16	12.00	4.00	0.00
200006582676	Residential	2023	6	Y	Y	5/8"	17	12.00	5.00	0.00
200006582734	Residential	2023	6	N	Y	5/8"	19	12.00	7.00	0.00
200006582593	Residential	2023	8	Y	Y	5/8"	7	7.00	0.00	0.00
200006582601	Residential	2023	8	N	Y	5/8"	16	12.00	4.00	0.00
200006582619	Residential	2023	8	Y	Y	5/8"	14	12.00	2.00	0.00
200006582635	Residential	2023	8	N	Y	5/8"	7	7.00	0.00	0.00
200006582650	Residential	2023	8	N	Y	5/8"	14	12.00	2.00	0.00
200006582668	Residential	2023	8	N	Y	5/8"	18	12.00	6.00	0.00
200006582676	Residential	2023	8	Y	Y	5/8"	16	12.00	4.00	0.00
200006582734	Residential	2023	8	Y	Y	5/8"	23	12.00	11.00	0.00
200006582593	Residential	2023	10	Y	Y	5/8"	7	7.00	0.00	0.00
200006582601	Residential	2023	10	N	Y	5/8"	16	12.00	4.00	0.00
200006582619	Residential	2023	10	Y	Y	5/8"	11	11.00	0.00	0.00
200006582635	Residential	2023	10	N	Y	5/8"	9	9.00	0.00	0.00
200006582650	Residential	2023	10	N	Y	5/8"	19	12.00	7.00	0.00
200006582668	Residential	2023	10	N	Y	5/8"	16	12.00	4.00	0.00
200006582676	Residential	2023	10	Y	Y	5/8"	16	12.00	4.00	0.00
200006582734	Residential	2023	10	Y	Y	5/8"	26	12.00	14.00	0.00
200006582593	Residential	2023	12	Y	Y	5/8"	6	6.00	0.00	0.00
200006582601	Residential	2023	12	N	Y	5/8"	15	12.00	3.00	0.00
200006582619	Residential	2023	12	Y	Y	5/8"	7	7.00	0.00	0.00

200006582635	Residential	2023	12 N	Y	5/8"	6	6.00	0.00	0.00
200006582650	Residential	2023	12 N	Y	5/8"	15	12.00	3.00	0.00
200006582668	Residential	2023	12 N	Y	5/8"	18	12.00	6.00	0.00
200006582676	Residential	2023	12 Y	Y	5/8"	18	12.00	6.00	0.00
200006582734	Residential	2023	12 Y	Y	5/8"	12	12.00	0.00	0.00

Attachment 1-6:

Liberty 100 Day Update, Files 00 FINAL

AVR Forecast and 00 FINAL PARK

Forecast

year	RESbm	BUSbm	INDm	PA	FP	IPa	IPr	IG	AVGC	TMPbm	value	YRes	YBUS	YInd	YPUB	YPF	YHYD	Type
2012	208	608	516	6,195	8	5,383	1,641	477,439	117,163	-	-	-	-	-	-	-	-	Recorded
2013	199	583	631	6,337	6	5,490	1,750	457,332	144,043	-	-	-	-	-	-	-	-	Recorded
2014	188	606	481	6,571	11	5,276	1,788	519,368	169,224	-	-	-	-	-	-	-	-	Recorded
2015	149	508	554	5,330	7	4,374	1,306	463,880	77,922	190	-	36	64	-	-	-	78	Recorded
2016	141	499	383	5,328	11	3,348	1,419	427,946	-	1,159	-	117	194	-	4,416	38	-	Recorded
2017	139	483	372	5,361	12	6,168	1,561	599,054	-	1,943	-	113	178	-	4,186	-	-	Recorded
2018	143	506	405	5,261	9	5,027	1,556	468,977	-	3,080	-	112	167	-	5,308	-	-	Recorded
2019	137	506	396	5,295	8	5,122	1,319	417,901	-	1,143	-	107	257	-	3,280	-	-	Recorded
2020	149	539	427	5,108	10	5,172	1,365	473,415	-	733	-	110	243	-	1,868	-	-	Recorded
2021	151	618	374	5,387	10	216	1,271	554,129	-	354	-	106	250	-	2,074	-	-	Recorded
2022	141	169	431	5,244	10	-	1,160	601,877	-	533	-	91	246	-	3,092	-	-	Recorded
2023	132	576	322	4,776	14	-	1,033	460,190	-	1,179	-	82	198	-	4,067	-	-	Recorded
2024	137	573	451	5,128	10	-	1,238	509,662	-	673	-	92	222	-	2,133	-	-	Forecast
2025	137	572	451	5,128	10	-	1,238	509,662	-	673	-	92	222	-	2,133	-	-	Forecast
2026	137	571	451	5,128	10	-	1,238	509,662	-	673	-	92	222	-	2,133	-	-	Forecast
2027	137	569	451	5,128	10	-	1,238	509,662	-	673	-	92	222	-	2,133	-	-	Forecast
2028	137	568	451	5,128	10	-	1,238	509,662	-	673	-	92	222	-	2,133	-	-	Forecast

year	RESbm	BUSbm	BUSm	INDm	PABm	PAm	FPbm	FPm	HYDbm	resalem	TMPbm	TMPm	REcm	MC_RESm	MC_BUSm	MC_FPm	Type
2012	135	532	6924	0	533	3632	3	0	0	0	49	810	5045	0	0	0	Recorded
2013	133	533	6569	0	414	3830	2	0	0	0	11	2733	5803	0	0	0	Recorded
2014	126	509	5799	0	363	4250	2	0	0	0	0	3436	5317	0	0	0	Recorded
2015	108	468	5036	0	244	3211	3	52	0	0	0	1844	3616	0	0	0	Recorded
2016	106	455	4622	8573	241	3282	3	67	0	0	0	1356	4291	0	0	0	Recorded
2017	105	441	4905	8544	270	3245	1	43	0	0	0	1130	4394	0	0	0	Recorded
2018	114	463	5149	7711	356	2938	1	25	0	0	0	1042	5726	0	0	0	Recorded
2019	106	447	4653	9070	267	2643	2	26	0	0	0	163	3924	182	4199	0	Recorded
2020	115	439	4571	8374	280	2346	1	28	0	0	0	374	4228	311	4489	0	Recorded
2021	115	428	4361	7002	334	3023	1	13	0	0	0	248	4582	296	3921	0	Recorded
2022	107	415	3854	7470	355	2625	1	4	0	0	0	591	4762	254	2142	0	Recorded
2023	103	390	4330	7170	232	2741	2	10	0	2	0	40	3028	205	1095	0	Recorded
2024	104	377	4323	6670	287	2716	1	17	0	0	0	330	4246	189	1604	0	Forecast
2025	104	377	4323	6670	287	2716	1	17	0	0	0	330	4246	189	1604	0	Forecast
2026	104	377	4323	6670	287	2716	1	17	0	0	0	330	4246	189	1604	0	Forecast
2027	104	377	4323	6670	287	2716	1	17	0	0	0	330	4246	189	1604	0	Forecast
2028	104	377	4323	6670	287	2716	1	17	0	0	0	330	4246	189	1604	0	Forecast

Attachment 1-7:
**National Oceanic and Atmospheric
Administration (“NOAA”) precipitation
data for Downtown LA and Pearblossom**

SYMBOLGY USED

I see some letters and colors used in some of the tables, what do they mean?

Here is a list of special symbology used in the data;

- **M** - Means that the data is missing. This can happen for a variety of reasons including the data did not make a quality check, there was an equipment outage, or even the observer was not available at a manual station.
- **T** - This means that only a trace of precipitation has fallen. Trace is defined as less than the smallest measurable amount. That threshold is below for the different precipitation measurements;
 - Liquid precipitation (rain, showers) - Less than 0.005"
 - Snowfall - Less than 0.05"
 - Snow depth on the ground - Less than 0.5"
- **Red highlighted temperature** - The highest temperature value for that time period
- **Blue highlighted temperature** - The lowest temperature value for that time period
- **Green highlighted precipitation** - The greatest amount of precipitation for that time period

Monthly Total Precipitation for LOS ANGELES DOWNTOWN/USC, CA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2000	0.88	5.54	2.82	1.49	T	0.00	0.00	0.07	0.15	0.98	T	T	11.93
2001	5.59	8.87	1.17	1.11	0.00	T	T	0.00	0.00	0.06	1.42	1.38	19.60
2002	0.80	0.29	0.32	0.09	0.05	0.01	0.00	T	T	0.05	2.43	3.31	7.35
2003	T	4.64	4.32	0.71	1.02	0.01	T	T	0.00	0.53	0.79	1.35	13.37
2004	0.47	4.89	1.17	0.04	0.00	0.00	T	0.00	T	4.56	0.20	8.77	20.10
2005	9.32	11.02	2.14	1.05	0.19	T	T	0.00	0.29	1.35	0.22	1.03	26.61
2006	2.06	2.37	2.87	2.15	0.85	T	T	0.00	T	0.34	0.16	0.81	11.61
2007	0.19	0.92	0.05	0.74	0.00	0.00	T	T	0.52	0.95	0.56	1.73	5.66
2008	7.97	1.64	0.01	0.04	0.11	0.00	0.00	0.00	T	0.02	1.85	2.79	14.43
2009	0.34	3.57	0.33	0.03	T	0.15	0.00	0.00	0.00	2.07	0.01	2.89	9.39
2010	4.94	4.27	0.48	1.65	0.05	0.00	T	0.00	T	0.94	0.53	10.23	23.09
2011	0.79	3.29	3.96	T	0.45	0.01	0.00	0.00	T	1.17	1.58	1.01	12.26
2012	1.30	0.16	1.75	1.71	0.01	0.00	0.01	0.00	T	0.02	1.03	2.16	8.15
2013	1.18	0.20	0.54	T	0.71	0.00	0.09	0.00	0.00	0.06	0.62	0.20	3.60
2014	T	3.58	1.18	0.35	0.00	0.00	T	0.04	0.01	0.25	0.48	3.88	9.77
2015	1.09	0.83	0.87	0.13	0.93	0.01	0.38	T	2.39	0.45	0.01	0.57	7.66
2016	3.17	0.79	1.60	0.24	0.05	0.00	0.00	0.00	T	0.52	0.88	4.55	11.80
2017	8.38	4.17	0.09	0.08	0.32	0.01	0.00	T	0.07	0.10	0.01	0.01	13.24
2018	1.77	0.03	2.69	0.02	0.09	0.00	0.00	0.00	0.00	0.57	1.58	2.11	8.86
2019	5.95	5.59	2.19	0.02	0.81	T	T	0.00	0.03	0.00	2.12	4.84	21.55
2020	0.32	0.04	4.34	3.02	0.14	0.00	0.00	0.00	0.00	0.00	0.11	1.84	9.81
2021	2.44	T	1.41	0.00	0.00	0.02	0.22	T	0.01	0.71	0.00	9.46	14.27
2022	0.19	0.06	1.41	0.33	0.00	0.01	0.00	0.00	0.37	0.02	1.98	2.81	7.18
2023	8.95	5.95	7.71	0.06	0.55	T	0.00	2.99	0.05	T	0.36	2.82	29.44
2024	2.05	12.66	3.50	0.63	M	M	M	M	M	M	M	M	M
Mean	2.81	3.41	1.96	0.63	0.26	0.01	0.03	0.13	0.16	0.66	0.79	2.94	13.36
Max	9.32 2005	12.66 2024	7.71 2023	3.02 2020	1.02 2003	0.15 2009	0.38 2015	2.99 2023	2.39 2015	4.56 2004	2.43 2002	10.23 2010	29.44 2023
Min	T 2014	T 2021	0.01 2008	0.00 2021	0.00 2022	0.00 2020	0.00 2023	0.00 2022	0.00 2020	0.00 2020	0.00 2021	T 2000	3.60 2013

Monthly Total Precipitation for PEARBLOSSOM, CA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2000	0.20	1.90	0.50	0.63	0.01	0.00	0.00	0.65	0.00	0.18	0.00	0.00	4.07
2001	2.16	3.00	0.93	0.42	0.00	0.00	0.42	0.00	0.23	0.21	0.55	0.63	8.55
2002	0.22	0.03	0.04	0.14	0.05	0.00	0.00	0.00	0.00	0.00	0.15	0.77	1.40
2003	0.00	4.38	1.25	0.83	0.23	0.00	0.13	0.23	0.06	0.00	0.75	0.49	M
2004	0.00	2.34	0.63	0.10	0.00	M	0.00	0.00	0.00	3.26	1.15	3.40	M
2005	M	6.15	1.00	0.26	0.04	0.00	M	0.37	M	M	0.00	0.00	M
2006	0.46	0.88	0.82	0.68	0.15	0.00	M	0.00	M	M	0.00	0.08	M
2007	0.10	0.35	0.03	0.00	0.00	0.00	0.05	0.10	0.31	0.00	1.06	0.32	2.32
2008	1.89	0.42	0.05	0.00	0.56	0.00	0.42	0.00	0.00	0.00	1.70	0.42	5.46
2009	0.20	1.64	0.10	0.00	0.00	0.22	0.00	0.00	0.00	0.00	T	0.66	2.82
2010	3.43	1.70	0.78	0.37	0.00	0.00	0.00	0.00	0.00	0.96	0.14	4.77	12.15
2011	M	M	M	M	M	M	M	M	M	M	M	M	M
2012	M	M	0.68	0.92	0.00	0.00	0.06	1.16	1.20	0.44	0.08	0.62	M
2013	0.32	0.14	0.00	0.00	0.41	0.00	1.07	0.00	0.00	0.03	1.73	0.00	3.70
2014	0.02	0.91	0.08	0.08	0.02	0.00	0.00	0.14	0.03	0.00	0.12	2.66	4.06
2015	1.05	0.59	0.13	0.00	0.10	0.00	1.50	0.00	0.84	0.20	0.15	1.97	6.53
2016	1.04	0.09	0.75	0.23	0.05	0.00	0.00	0.00	0.00	0.07	0.85	2.37	5.45
2017	2.22	2.75	0.10	0.00	0.01	0.13	0.00	0.07	0.50	0.00	0.00	0.00	5.78
2018	0.72	0.10	1.45	0.00	0.00	0.00	0.04	0.00	0.00	0.23	0.24	1.49	4.27
2019	2.15	1.77	1.23	0.30	5.06	0.01	0.00	0.00	0.03	0.00	0.64	3.22	14.41
2020	0.00	0.01	2.46	2.63	0.00	0.00	0.00	0.00	0.00	0.00	M	0.63	M
2021	1.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.13
2022	0.00	0.00	0.18	0.13	0.00	1.14	0.18	0.02	0.23	0.00	0.09	1.06	3.03
2023	0.80	2.95	1.07	0.00	0.00	0.00	0.00	5.88	0.00	0.00	0.07	0.85	11.62
2024	0.72	4.31	1.33	0.11	M	M	M	M	M	M	M	M	M
Mean	0.86	1.58	0.65	0.33	0.29	0.07	0.18	0.37	0.16	0.27	0.43	1.24	5.81
Max	3.43 2010	6.15 2005	2.46 2020	2.63 2020	5.06 2019	1.14 2022	1.50 2015	5.88 2023	1.20 2012	3.26 2004	1.73 2013	4.77 2010	14.41 2019
Min	0.00 2022	0.00 2022	0.00 2021	0.00 2023	0.00 2023	0.00 2023	0.00 2023	0.00 2021	0.00 2023	0.00 2023	0.00 2021	0.00 2017	1.40 2002

Attachment 1-8:

**Letter of CPUC Executive Director Alice
Stebbins directing utilities to implement
customer protections**

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 17, 2020
VIA E-MAIL

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SUBJECT: Emergency Customer Protections to Support Customers Affected by the COVID-19 State of Emergency

I write to you in response to Governor Gavin Newsom's proclamation of a state of emergency in California due to the spread of COVID-19. This letter serves as notification that the California Public Utilities Commission (CPUC) plans to take action to provide emergency customer protection measures for customers in California to prevent disconnections for unpaid bills during the pendency of the emergency. You should act on the customer protections measures described in this letter immediately; the CPUC will vote to ratify these measures in the near future.

On March 4, 2020, Governor Newsom declared a State of Emergency in California related to COVID-19. On March 12, 2020, Governor Newsom issued a new Executive Order¹ recognizing that individuals exposed to COVID-19 may be unable to report to work due to illness or quarantines, and ordering numerous measures including social distancing. On March 16, 2020, Governor Newsom issued an Executive Order² requesting that the CPUC monitor the measures undertaken by public and private utility providers to implement customer service protections in response to COVID-19.

It is clear that the response to COVID-19 will be extremely disruptive to all Californians and will impact many Californians' ability to work. We have dealt with highly disruptive events in the recent past, with the devastating wildfires in Northern and Southern California. In response, the CPUC adopted a series of requirements for utility companies (electric, gas, water, sewer) and communications providers, culminating in customer protections measures adopted in two decisions (D.)19-07-015 and D.19-08-025. These customer protection measures apply in cases where the declared emergency relates to the disruption of service or to the degradation of service.

¹ Executive Order N-25-20, available at <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.12.20-EO-N-25-20-COVID-19.pdf>

²² Executive Order N-28-20, available at <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.16.20-Executive-Order.pdf>

COVID-19 has not resulted in the same disruptions or degradations to utility service in California as the recent wildfires. We expect that utility services will remain reliable and assist in California's COVID-19 response by allowing more people to safely self-quarantine or telework. Despite the differences in the cause of the emergencies, the customer protections adopted in D.19-07-015 and D.19-08-025, which include moratoriums on disconnections, can mitigate some of the disruptions to Californians' daily lives related to the COVID-19 response – especially those Californians who are economically vulnerable. In response to COVID-19, some utilities and service providers have already announced voluntary moratoriums on service disconnections for non-payment.

Because of the seriousness of the situation, we expect the utilities and service providers subject to D.19-07-015 and D.19-08-025 to extend the same applicable customer protections directed in D.19-07-015 and D.19-08-025 to customers in response to the declared state of emergency due to the spread of COVID-19. We also expect the utilities and service providers to report to the CPUC on all customer protection measures they implement in response to COVID-19 as soon as they are implemented, so that the CPUC may publicly report on these measures. These customer protections should be retroactively applied to March 4, 2020.

Subject to CPUC action to ratify this direction, the utilities and service providers will be expected to file an advice letter reporting compliance with implementing the mandated customer protections.

Sincerely,



Alice Stebbins
Executive Director

CC: President Marybel Batjer, CPUC
Commissioner Martha Guzman Aceves, CPUC
Commissioner Liane Randolph, CPUC
Commissioner Clifford Rechtschaffen, CPUC
Commissioner Genevieve Shiroma, CPUC

Maryam Ebke, Deputy Executive Director, CPUC
Lucian Filler, Deputy Executive Director, CPUC
Edward Randolph, Deputy Executive Director, CPUC
Hazel Miranda, Office of Government Affairs Director, CPUC
Service List to R.18-03-011

Attachment 1-9:

Letter of the Office of the Attorney General

<p>California Department of Justice</p> <p>OFFICE OF THE ATTORNEY GENERAL</p> 	<h1>Legal Alert</h1>	
<p><i>Subject:</i></p> <p>The Water Shutoff Protection Act</p>	<p><i>No.</i></p> <p>OAG-2022-04</p> <p><i>Date:</i></p> <p>October 26, 2022</p>	<p><i>Contact for information:</i></p> <p>EJ@doj.ca.gov</p>

TO: All Urban and Community Water Systems

The Office of the California Attorney General issues this legal alert to remind all water systems of the requirements of the Water Shutoff Protection Act.

In 2019, the Legislature adopted Senate Bill 998, the Water Shutoff Protection Act (the Act), Health and Safety Code Sections 116900 *et. seq.*, increasing protections for residents facing termination of water service due to non-payment.¹ In enacting these protections, the Legislature recognized that water debt and residential water shutoffs threaten human health and well-being and “have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.” (Sen. Bill. 998 (2017-2018 Reg. Sess.) §1, subd. (c).)

Although covered water systems were required to comply with the Act beginning in 2020, Governor Newsom issued Executive Order N-42-20 on April 2, 2020 due to the COVID-19 emergency, which temporarily prohibited the discontinuation of residential service for non-payment of a water bill. The COVID-19 emergency moratorium on residential water shutoffs expired in January 2022. The provisions of the Water Shutoff Protection Act remain in effect.

The Act applies to each “urban and community water system,” which it defines as “a public water system that supplies water to more than 200 service connections.” (§116902, subd. (d).) The Act applies only to the discontinuation of residential water service for nonpayment. (§§116906, subd. (a); 116902, subd. (c).) The Act does not apply to terminations due to an unauthorized action by a customer. (§116926.) The Act has several new requirements for termination of water service due to nonpayment, discussed below.

Urban and community water systems should immediately cease all water shutoffs that do not comply with the Act. Water systems that have not yet adopted compliant policies and made them available to the public must do so immediately. The State Water Resources Control Board and the California Public Utilities Commission have authority to issue citations with monetary penalties to non-compliant water systems. The Attorney General and the California Public Utilities Commission can enforce the Act by seeking a temporary or permanent injunction against non-compliant water systems.

No Water Shutoffs Unless At Least 60-Days Delinquent

¹ All statutory references are to the Health and Safety Code.

- Under the Act, an urban and community water system cannot discontinue service until a payment by a customer has been delinquent for at least 60 days. (§116908, subd. (a)(1)(A).)
- If service is discontinued for nonpayment, the water system is required to provide information about how to restore residential service. (§116912.)
- The Act also prohibits water shutoffs for residents who meet certain health and financial requirements and who are willing to make alternative payments. (§116910.)
- Reconnection fees are limited by the Act for residents with income below 200 percent of the federal poverty level and those residents are entitled to a waiver of interest charges on delinquent bills once every 12 months. (§116914.)

Written Policy Required

The Act requires every urban and community water system to have a written policy on discontinuation of residential water service for nonpayment. The policy shall include all of the following:

- (1) a plan for deferred or reduced payments;
- (2) alternative payment schedules;
- (3) a formal mechanism for a customer to contest or appeal a bill; and
- (4) a telephone number for a customer to discuss options to avoid discontinuation of service due to nonpayment. (§116906, subd. (a).)

This policy shall be available on a website if the provider has one. (§116906, subd. (b).) The policy shall be available in English, Spanish, Chinese, Tagalog, Vietnamese and Korean and any other language spoken by at least 10 percent of the people residing in the service area. (§116906, subd. (a); Civil Code, §1632.) If the water system does not have a website, the policy shall be provided to the customer upon request. (§116906, subd. (b).)

Telephone or Written Notification Requirements

The Act also addresses the notice which must be provided to the person listed on the water bill and provides notification protections for tenants, including:

- Notice must be provided to the person listed on the water bill at least 7 business days before the possible termination of service. (§116908, subd. (a)(1)(B).)
- If the customer's address is not the address of the property where water service is provided, notice must also be mailed to the property address, addressed to "Occupant."
- If the water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned as undeliverable, the water system is required to make a good faith effort to visit the residence and leave or make arrangements for placement in a conspicuous place a notice of imminent discontinuation for nonpayment and the system's discontinuation policy. (§116908, subd. (a)(2).)
- The notice must include the following: customer's name and address; amount of delinquency; date by which payment or arrangement for payment is required to avoid discontinuation of service; description of the process to apply for an extension of time to pay the delinquent charges; description of the procedure to petition for bill review and appeal; and description of the procedure by which the customer can request a deferred, reduced, amortized or alternative payment schedule. (§116908, subd. (a)(1)(C).)

- Tenants of individually metered residences must be notified in writing that they have the right to become customers to whom water service will be billed without having to pay any of the delinquent amounts. (§116916, subd. (b).)

If an appeal is filed by “an adult at the residence,” a covered water system cannot terminate service while the appeal is pending. (§116908, subd. (b).)

Annual Reporting

An urban and community water system (as defined in the Act) is required to report annually to the State Water Resources Control Board on water shutoffs due to inability to pay and post the information on its website if it has one.

FAQ

As an additional resource, in 2020, the State Water Resources Control Board issued [an FAQ regarding the Act](#).

Attachment 1-10:
Liberty's Response to Cal Advocates
Data Request 026-CR,
Q1 026-CR AVR and Q1 026-CR PW



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

April 19, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 026-CR (100 Day Update Data, 4 Attachments)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Chris Ronco Chris.Ronco@cpuc.ca.gov

Date Received: April 17, 2024

Due Date: April 24, 2024

REQUEST NO. 1:

In response to Cal Advocates Data Request # 005-CR and Data Request #017-CR, Liberty claimed it would provide 2023 recorded monthly sales data in the 100-day update separated by each of its customer class. However, in its 100 day update, Liberty failed to correctly separate the data by each of its 11 AVR customer classes and its 15 Park customer classes. Using the attached excel files, please separate the sales data provided by Liberty in the 100 day update into the correct customer class tabs. Use Attachment 1 for AVR and Attachment 2 for Park.

RESPONSE:

Please see the attachments with preface Q1.

REQUEST NO. 2:

Despite updating several of its workpapers with 2023 recorded numbers in its 100 day update, Liberty failed to update both the "AV25 Miscellaneous Revenues" and "PW25 Miscellaneous Revenues" files. Please see Attachments 3 and 4 and fill in the yellow highlighted cells with the recorded 2023 numbers.

RESPONSE:

Please see the attachments with preface Q2.

This completes the response to Data Request No. 026-CR. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

**LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.-DOMESTIC
MISCELLANEOUS REVENUE**

Acct No.	Acct. Description	Recorded 2018	Recorded 2019	Recorded 2020	Recorded 2021	Recorded 2022	5-yr Average	Proposed 2023	Proposed 2024	Proposed 2025
5701	Misc. Service Revenues	78,440	69,510	14,550	4,320	19,986	37,361	37,361	37,361	37,361
5702	Late Fees	48,749	43,194	7,659	7,659	60,463	33,545	33,545	33,545	33,545
5804.2	Excess Capacity	42,676	47,876	43,581	68,160	60,227	52,504	46,064	46,064	46,064
Total		169,866	160,580	65,790	80,139	140,676	165,223	116,970	116,970	116,970

**Liberty Park Water
Miscellaneous Revenue**

Acct No.	Acct. Description	Recorded 2018	Recorded 2019	Recorded 2020	Recorded 2021	Recorded 2022	5-Year Average	Estimated 2023	Proposed 2024	Proposed 2025	Proposed 2026	Proposed 2027	Proposed 2028	Recorded 2023
5701	Misc. Service Revenues (Fire Flow & Reconnect)	202,662	315,387	78,604	36,316	77,850	142,164	142,164	142,164	142,164	142,164	142,164	142,164	91,435
5702	Late Fees	162,196	157,090	25,483	6,450	104,497	91,143	91,143	91,143	91,143	91,143	91,143	91,143	92,678
5804	Excess Capacity	120,447	132,952	135,746	261,535	304,461	191,028	322,085	186,900	55,500	55,500	55,500	55,500	294,773
Total		485,305	605,429	239,832	304,302	486,808	424,335	555,392	420,207	288,807	288,807	288,807	288,807	478,886
											288,807	288,807	288,807	

Attachment 1-11:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q5c 027-CR Bell Gardens O&M
Agreement, at 8.



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

April 26, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 027-CR (BAMA and NTPS)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Chris Ronco Chris.Ronco@cpuc.ca.gov
Date Received: April 19, 2024
Due Date: April 26, 2024

REQUEST NO. 1:

The following refers to Section 2 Workpapers for both AVR and Park:

- a) Page 2-4 of the workpapers show \$50,494,537 for AVR and \$32,432,538 for Park in revenue less private fire revenue. How much of these amounts consist of fixed costs? Fixed costs being defined as costs that do not change with the amount of water delivered and include profits. Please provide your response in Excel format.

RESPONSE:

- a) The revenue amounts are incorrectly referenced. It should be \$50,494,537 for Park and \$32,432,538 for AVR. With the exception of production-related costs such as purchased water, purchased power, leased water rights, replenishment, and chemicals, as well as uncollectibles, franchise requirements, and state and federal income taxes, all other expenses are considered fixed costs. Consequently, a total fixed costs amount to \$31,075,603 and \$28,387,234 for Park and AVR, respectively. Please see the attachment with preface Q1a for the development of the amounts.

REQUEST NO. 2:

The following refers to the Preliminary Statements for both AVR and Park:

- a) Both statements list the Monterey-Water Revenue Adjustment Mechanism (M-WRAM) as a balancing account in use. However, Liberty has not requested recovery of any amount in the application or provide any workpapers showing tracked amounts. Is Liberty currently tracking differences in revenues with M-WRAM? If so, please provide the total amount tracked for both AVR and Park in Excel format, showing the entries that lead to the total amount.

RESPONSE:

- a) AVR and Park are utilizing the Drought Revenue Memorandum Account (DRMA) to track the usage revenue. The amounts tracked in the DRMA are still estimated. Therefore, recovery is not requested in this application. As amounts finalized, Liberty will submit for review and recovery through future advice letter or application.

REQUEST NO. 3:

The following refers to Liberty's Rule No. 14.1 – "Water Shortage Contingency Plan" for both AVR and Park:

- a) Page 2 of the plan states "All monies collected by the utility through surcharges, penalties or fees shall be booked to the WRAM or a memorandum account to offset recovery of lost revenues." How did Liberty book these monies and how were they used to offset recovery of lost revenues?
 - i) If it was in a memorandum or balancing account other than WRAM, which account was it?
 - ii) Please provide, in Excel format, the amount of penalties or fees Liberty collected for

each month for the years 2010-2023 and the interest incurred. Provide the data for both AVR and Park, and include interest incurred.

- iii) Did Liberty offset recovery of lost revenues using the monies collected in prior GRCs? If not, please explain why.

RESPONSE:

- a) The drought surcharges collected were used to offset the under-collected balance recorded in the WRAM. In 2015, AVR implemented drought surcharges to comply with the drought mandates. A total of \$976,611 in drought surcharges was collected and reflected in its 2015 and 2016 WRAM advice letter filings. Please see the attachments with preface Q3a for the Commission-approved Advice Letters (AL) 214-W and 223-W-A.

Park did not implement drought surcharges between years 2010 through 2023.

REQUEST NO. 4:

The following refers to Liberty's Semi-Annual Reports Balances for the six-month period ending December 31, 2023, for both AVR and Park:

- a) Please fill out Attachment 1 to provide all General Ledger transaction entries that total the December 31, 2023 balancing or memorandum account amounts for AVR. For accounts that track differences between authorized and actual budgets, be sure to include the authorized budget in the designated cell. For the AVR accounts that Liberty did not provide a December 31, 2023 total for but are included in the attachment, still provide a breakdown of entries and show the total.
- b) Please fill out Attachment 2 to provide all General Ledger transaction entries that total the December 31, 2023 balancing or memorandum account amounts for Park. For accounts that track differences between authorized and actual budgets, be sure to include the authorized budget in the designated cell. For the Park accounts that Liberty did not provide a December 31, 2023 total for but are included in the attachment, still provide a breakdown of entries and show the total.

RESPONSE:

- a) Balancing and memorandum accounts general ledger (GL) transaction details are provided from the last period of Commission's review and approved balance. Please see the attachments with preface Q4a for the GL transactions and updated balance as of December 31, 2023 for the accounts that Liberty is requesting for recovery/refund

in this application.

- b) Balancing and memorandum accounts GL transaction details are provided from the last period of Commission's review and approved balance. Please see the attachments with preface Q4a for the GL transactions and updated balances as of December 31, 2023 for the accounts that Liberty is requesting for recovery/refund in this application.

REQUEST NO. 5:

The following refers to Section 2 Workpapers for both AVR and Park:

- a) Page 2-91 of AVR's workpaper presents the ratepayers' share of revenue from all NTPS. Please provide the recorded total revenue from NTPS for years 2018-2023 by filling in the below table:

	HomeServe	
Year	Total Revenue	Ratepayer Share
2018	\$	\$
2019	\$	\$
2020	\$	\$
2021	\$	\$
2022	\$	\$
2023	\$	\$

- b) Page 2-89 of Park's workpapers presents the ratepayers share of revenue from NTPS. Please provide the recorded total revenue from NTPS for years 2018-2023 by filling in the table below:

	HomeServe		City of Bell Garden O&M		Sativa Water System	
Year	Total Revenue	Ratepayer Share	Total Revenue	Ratepayer Share	Total Revenue	Ratepayer Share
2018	\$	\$	\$	\$	\$	\$
2019	\$	\$	\$	\$	\$	\$
2020	\$	\$	\$	\$	\$	\$
2021	\$	\$	\$	\$	\$	\$
2022	\$	\$	\$	\$	\$	\$
2023	\$	\$	\$	\$	\$	\$

- c) Please provide PDF copies of the most recent contracts for Liberty's HomeServe Program, for Operating the City of Bell Garden's water system and providing water to Suburban.

RESPONSE:

- a) Please see the attachment preface Q5a for the total recorded NTPS revenues for years 2018 through 2023.
- b) Please see the attachment preface Q5b for the total recorded NTPS revenues for years 2018 through 2023.
- c) Please see the attachments with preface Q5c for the City of Bell Gardens and Suburban contracts.

REQUEST NO. 6:

The following refers to Liberty's HomeServe Program:

- a) Please fill out the below table for the program in AVR. Be sure to include the information on an annual basis since Liberty began the program. Also include the projected numbers for years 2024, 2025, 2026 and 2027:

Year	Number of Participants	Per Month Cost of Enrollment

b) Please provide fill out the below table for the program in Park. Be sure to include the information on an annual basis since Liberty began the program. Also include the projected numbers for years 2024, 2025, 2026 and 2027:

Year	Number of Participants	Per Month Cost of Enrollment

RESPONSE:

The information requested is not available as Liberty does not manage this program. The program is managed by HomeServe, a provider of service line emergency repairs insurance. The contract between Liberty and HomeServe is for HomeServe to use Liberty's marks in their marketing communications. Please refer to Chapter VII of Exhibits B AVR Revenue Requirement Report and Park Revenue Requirement Report. Also, see the attachment with preface Q6 for the contract.

This completes the response to Data Request No. 027-CR. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

**WATER SYSTEM OPERATION AND MAINTENANCE CONTRACT AGREEMENT
BETWEEN THE CITY OF BELL GARDENS AND Liberty Utilities (Park Water) Corp.**

THIS CITY WATER SYSTEM OPERATION AND MAINTENANCE CONTRACT AGREEMENT (this "Agreement") is made and entered into as of the 22 day of June 2020, by and between two parties namely the CITY OF BELL GARDENS, a California municipal corporation (hereinafter referred to as "Bell Gardens" or "City"), and Liberty Utilities (Park Water) Corp., a California corporation (hereinafter referred to as "the Operator").

Effective Date: June 22, 2020

RECITALS

- A. Operator is an investor-owned utility, licensed to professionally serve potable water to customers in California and is in the business of providing professional operation and maintenance services to public potable water systems using personnel licensed by the State of California as a California corporation.
- B. Bell Gardens is a municipal corporation which owns a public water system in a part of the City known as the City Water System shown on Exhibit A (hereinafter referred to as the "Area of Service").
- C. The City is in need of an Operator of the City Water System and intends to retain the Operator for the Operator to provide the services herein stated to the City Water System and its Customers within the Area of Service for the term of this Contract Agreement.

NOW THEREFORE, for and in consideration of the foregoing recitals, and for other good, valuable and sufficient consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Operator agree as follows:

1. Scope of Work

Subject to the terms and conditions of this Agreement, Operator agrees to provide the services and tasks described in that certain Request for Proposals of City entitled "City of Bell Gardens Request for Proposals Contract Documents and Specifications for Maintenance and Operations of City-Owned Water System Contract in the City of Bell Gardens" issued April 22, 2020, (hereinafter, "City RFP") and the written proposal of Operator entitled "Proposal for Maintenance and Operation of the City of Bell Gardens Water System" (hereinafter, the "Operator Proposal") dated May 28, 2020. The City RFP and the Operator Proposal are attached and incorporated hereto as **Exhibit "B" and "C"** respectively. The term "Scope of Work" shall be a collective reference to the City RFP and the Operator Proposal. The capitalized term "Work" shall be a collective reference to all the various services and tasks referenced in the Scope of Work. In the event of any conflict or inconsistency between the provisions of the document entitled City RFP and the provisions of the document entitled Operator Proposal, the requirements of the document entitled City RFP shall

govern and control but only to the extent of the conflict or inconsistency and no further. In the event of any conflict or inconsistency between the provisions of the Scope of Work and the provisions of this Agreement to which the Scope of Work is attached, the provisions of this Agreement shall govern and control.

In addition to the Work referenced in the Scope of Work, the Operator hereby agrees to provide the following basic customer services (the "Basic Customer Services") to the City Water System and the system's customers.

- (i) Operate and maintain the water main system that is located in the streets and some alleys of the Service Area including all valves, fire hydrants, service connections and customer meters and report to the City thereon at the minimum monthly. All water main alignments are to be visually inspected by Operator in Service Truck a minimum of once a month. In the first year, Operator is to check on each fire hydrant, fire hydrant lateral valve and all main line valves and exercise the valves. Thereafter, the valves are to be checked and exercised tri-annually. Operator is to report therein to the City at the minimum of monthly.

Exhibit D herein is a suggested form of Operator's monthly report to the City Director of Public Works (DPW).

- (ii) Operate and maintain Well No. 1 and its electrical, control, and pumping equipment of the Well No. 1 plant in Veterans City Park, including the liquid injection chlorination system, the existing walled yard block building, and the piping facilities in the building and the yard. The existing natural gas engine location in the building and the emergency generator adjacent to the Well Building are not part of Operator's maintenance responsibility. The locked storage building in the yard is also not part of Operator's responsibility. Operator shall conduct daily checks through SACADA and site visits to determine Well No. 1 production,, and chlorination dosage. The operator will conduct site visits three days per week (Mon, Wed, Fri) to collect and process all production reads (well, electric, chemical, etc.). Operator will collect pumping water levels at least once per month and all of the month end reads. The remainder of the Well No. 1 site may be used by Operator to carry out its responsibilities. Operator is responsible for the security of the Well No.1 site. Operator is to, as a part of its monthly report to the City, report on the requested information about the Well plant and any other important functions of the Well No. 1 plant. The City will work to discourage pigeons from roosting in the Building or in the yard. Operator is not to encourage the presence of pigeons. Operator is to see that no pigeon or similar birds and small animals/rodents enter the Well Building.

- (iii) Operator is to operate and maintain the Metropolitan Water District (MWD) connection Cen B-31B for imported water located at the Northwest corner of the intersection of Garfield Avenue and Randolph Street and report at a minimum of monthly on its usage to the City. The present manner of serving water to the customers of the City Water System is to operate the Well No. 1 as much as possible and limit the use of import water. Operator agrees to run CB-31 (Central Basin Municipal Water District) import connection once a week to verify it is functional and available. Should Operator have the plan and ability to change this schedule to efficiently use well water in place of MWD water, such plan is encouraged and should be discussed with the City prior to implementing such a plan.
- (iv) The operation of the SCADA shall be monitored by Operator daily and reported thereon to the City as needed. There may be an observe-only screen located in the City's Public Water Office for informational purposes only. All SCADA equipment is to be owned by the City. Should Operator no longer be the designated Operator of the City Water System the equipment at the _____ SCADA Headquarters is to be relocated to the City Public Works Building in an operating condition. The usage of the SCADA system is to provide 24-hour, 7-days-a-week monitoring of the City Water System operation as an efficient usage of personnel for operation and maintenance of the City Water System. The use of the SCADA system is to supplement and complement the use of personnel of Operator. However, the SCADA equipment shall not totally replace the use of Operator personnel.
- (v) Operator intends to produce a set of maps of the City Water System using Operator's GIS system based on maps furnished by the City and such other information as may be available. A print reproducible copy of such maps is to be given to the City Public Works Department. Should, during this Contract Agreement period, changes and/or repairs made to the City Water System necessitating a change in the map(s), new sheet(s) of affected map(s) will be provided to the City. Such maps of the Water System shall be owned by the City.
- (vi) The City will provide via monthly reports _____ information on all metered connections and any known metered connections as to the customer and metering equipment and data. Operator is to add the customer information to its Billing System for the purpose of reading and billing meters bi-monthly in each even-numbered month, and billing thereafter the customers and collecting monies therefrom as payment for water service using the City's Billing Rate Schedule. Operator is to terminate services when bills are unpaid. The water bill format is to be agreed upon between the City and Operator.

- (vii) Operator is to provide space in its customer service office _____ for Operator personnel to perform the billing and customer call center services in English and Spanish language during the regular business hours of Operator Main Headquarters. Operator will arrange for payment service centers for the City system in the same manner as provided to the Operator's own _____ customers.

Operator personnel shall perform all services of turning on customer services, reading meters, billing for services, sending out bills, collecting bills, and shutting off services for unpaid bills and/or customer termination of service. Bilingual (English and Spanish-speaking) Operator personnel shall be available as needed for these functions.

Bills shall be in the name "CITY OF BELL GARDENS" thereon with all other needed information for Operator to bill and collect for service. All monies collected by Operator shall be deposited daily in a designated City of Bell Gardens Bank Account. At Operator's call center, service personnel shall be available in person and other means to institute new customer services, terminate service, explain bills, and perform special meter readings as needed. Operator is to investigate unusual bills for customers and perform special meter readings for customers.

- (viii) Operator is to be aware of Chapter 11.02 of the City Municipal Code, which provides rules and regulations for guidance of the operation of the City Water System along with water rates to be used in billing customers.
- (ix) Operator will be responsible for operation of Water Well No. 1, MWD connection CenB-31B, and related facilities at the locations set forth in Exhibit A, including, at a minimum, chlorination for water sanitation treatment and the taking of water quality sampling consisting of chlorine residuals, pH, bacteriological, general physical samples as specified in the Total Coliform Rule. Operator will conduct quarterly THM and HAA5 sampling, monthly TC/HPC for Well, and Annual (full VOC) for Well No. 1. Records shall be daily maintained of production of the Well No. 1, usage, MWD water supplies, hours of operations, chlorine usage, and chlorine residual in the Water System and at the Well No. 1
- (x) Operator will provide customer office services, including, without limitation, preparation and filing of water production and water quality reports with the State of California Water System Regulating Agency, the Water Replenishment District of Southern California (WRD) and the Central Basin Water Master (CBWM) in accordance with the

provisions of California law on behalf of the City; obtaining all permits and making all filings required in connection with providing the Basic Customer Services as set forth herein; preparation of monthly customer information reports, including daily bank deposit balances during the month; reconciliation of balancing differences; listing of customer accounts not paid within the allowed thirty-five (35) days and in arrears thereafter 0-30 days, 31-60 days, 61-90 days and over 90 days and of accounts sent for collections and customer accounts determined to be uncollectible; accounting services related to providing the Basic Customer Services, such as recordation of meter readings, meter book loading and editing and maintenance of customer records in electronic format; and tracking and logging of customer complaints, including the nature of the complaint, to be reported in writing at a minimum monthly to Bell Gardens.

- (xi) Operator will cooperate with Bell Gardens and its agents in connection with the exercise by Bell Gardens of its audit rights.
- (xii) Operator will meet with representatives of City of Bell Gardens at the minimum of once a month or more frequently as needed or requested by the City. There shall be a meeting, at a minimum, of once a month to review activities and programs conducted since the prior meeting and to project pending activities.
- (xiii) Operator will provide bi-monthly water consumption records and submit monthly water production or purchase records for each source of water to City.
- (xiv) Operator shall deposit all monies collected as a result of water service billing collections under this Agreement into a City-designated bank account. All billings shall be sent by Operator by First Class U.S. Mail to every customer in an envelope with a payment return envelope. All payments received by Operator in connection therewith shall be deposited in the City bank account at the end of each business day.
- (xv) Operator will assist the City in filing and maintain a NPDES MS4 permit from the State Water Board.

2. Ordinary Services

As needed, Operator shall provide the following services designated as Ordinary Services:

- (i) Where in operating the City Water System Operator becomes aware of the need for repair or replacement work, Operator will notify the Public

Works Director and provide a written estimate of costs of repair or replacement.

- (ii) Operator will repair service connection leaks or other damages to services including replacement of existing services including curb stop as authorized by the City.
- (iii) Operator will repair facilities at the Water Well No. 1 Plant and at the MWD Connection, CenB-31B.
- (iv) Operator will perform such other system repair work as directed by the City.
- (v) All repair work done in City street/alley rights-of-way shall be done under a no-fee City Excavation Permit to standards of the City and inspection by the City. The existing street improvements shall be restored per City requirements.
- (vi) All Ordinary Service work is to be performed by Operator and/or others under the direction of Operator. All others shall be State of California-licensed contractors licensed to perform said work under the heading of Ordinary Services and shall be noticed to the City's Public Works Department Construction Inspector in advance, if possible. If the work is of an emergency nature, the City shall be notified and a City Excavation Permit taken out at the earliest time thereafter.
- (vii) At the beginning of each year of the Contract, Operator shall provide the City a rate schedule for personnel and equipment that shall be used in the event that Ordinary Services are required. Such rate schedule shall be reasonable and mutually agreed upon by both parties no less than sixty (60) days prior to the commencement of the next term year. Upon completion of an item of such Services work, Operator will provide a written detailed statement of work done, listing personnel, equipment, and materials used. At the end of each month, a Billing Statement is to be rendered to the City for the cost of such Services performed by date, time, and location, including copies of any statements of material used and of any equipment rented. Operator may add to the reasonable basic cost of all materials purchased or equipment rented an amount not to exceed 15% for operator supervision. Otherwise, the costs on a time basis shall be the previously submitted information of personnel and pay rates by Operator to the City and approved by the City. All bills rendered to the City shall indicate that the costs thereon have been paid by Operator.
- (viii) Operator will test water meters as requested by the City.
- (ix) Operator will replace or repair water meters as requested by the City.

- (x) Operator hereby agrees to provide such Ordinary Services and collectively with the Basic Customer Services, as may be mutually agreed in writing by Operator and the City of Bell Gardens, including, without limitation, services that might be required by City of Bell Gardens, such as water main repairs and installations, service line repairs and installations, hydrant repairs and installations, meter replacement, preparation of purchase orders for repairs and capital improvements, and obtaining all permits and making all filings required in connection with providing the Ordinary Services.

3. Right to Use and Access

- (i) Bell Gardens hereby grants to Operator and its authorized agents and representatives during the term of this Contract Agreement the right to use, and to have access to, all of the assets of the Bell Gardens Water System currently used in connection with providing the Services, including, without limitation, the water system and all books and records related thereto. Operator shall have the right to make and retain copies of such books and records during the term of this Contract Agreement, but shall be required to return all such copies within 30 days of the expiration or earlier termination of this Agreement.
- (ii) Bell Gardens further agrees to provide Operator and its authorized agents and representatives during the term of this Contract Agreement access to employees and agents of Bell Gardens having information relating to the Services and to cooperate with the Operator and its authorized agents and representatives in obtaining any information reasonably necessary for providing the Services during the term of this Agreement.

4. Audit Rights

Bell Gardens and/or its agents shall have the right to audit all records maintained by Operator in connection with providing the Services hereunder at any time during normal business hours upon reasonable notice. Bell Gardens agrees to use all reasonable efforts to conduct any such audit in such a manner as to minimize interference with the performance by the Operator of the Services. All such records shall be maintained by the Operator on behalf of Bell Gardens for a period of at least two (2) years.

5. Cooperation with Bell Gardens

Operator hereby agrees to meet at least monthly with representatives of Bell Gardens,

and at such additional times as Bell Gardens may reasonably request, to discuss any matters or concerns that may exist with respect to the water system or the Services provided by the Operator hereunder.

6. Emergency Repairs

In the event of any emergency, as reasonably determined by Operator, Operator shall have the unqualified right, immediately and without prior written notice to Bell Gardens, to undertake such minimum repairs and replacement as is necessary in the reasonable opinion of Operator to eliminate any danger to the public's health, safety, or welfare. Operator shall promptly notify Bell Gardens of any such emergencies occurring during normal business hours and, if occurring during non-business hours, to the extent reasonably practicable, before 9:00 a.m. on the next business day.

7. Notification of Need to Make Repairs or Capital Improvements

Operator shall prepare, on an annual basis, a list of recommended repairs or capital improvements to the water system or recommendations in connection with providing the Services, other than routine field work included in Basic Customer Services or emergency repairs made by Operator. The recommendations shall include a description of the proposed repairs or capital improvements, the purpose of and need therefore and, if requested by Bell Gardens in writing, an estimate of the costs to make such repairs or capital improvements, including the costs of engineering, construction, and administration. Operator shall, at the written request of Bell Gardens, prepare a description of such repairs or capital improvements that may be required as a result of changes in law, changes in water quality, orders of any governmental entity or damage or destruction of any portion of the water system (other than due to the negligence or willful misconduct of Operator), and an estimate of the costs thereof, other than on an annual basis. If Operator determines in the course of providing the Services that any such repairs or capital improvements are immediately required, Operator shall notify Bell Gardens orally (confirmed by email or facsimile) or in writing of the nature of the needed repairs or capital improvements and shall at the written request of Bell Gardens prepare a written estimate of the costs thereof.

8. Compensation for Ordinary Services

- (i) For the period commencing July 1, 2020 and ending at June 30, 2025, the City shall compensate Operator for providing the Basic Customer Services the following amounts:
 - a. For the partial month of Date on the Effective Date through date , the City shall compensate Operator at the rate of \$xxx.xx per day.
 - b. From July 1, 2020 through June 30, 2025, the City shall pay Operator \$19,666.67 per month as compensation for providing the Basic Customer Services (Ordinary Services).

- (ii) For the period commencing at July 1, 2020 and ending at June 30, 2024 (“Year 4”), and year 5 the City shall compensate Operator \$19,666.67 per month (\$236,000 per year) for providing the Basic Customer Services.

9. Compensation for Additional Ordinary Services

- (i) Operator will submit a detailed written invoice to the City for the completed water system work of each prior month by the 20th day of the following month in a form agreed upon by the City.
- (ii) The City will review the invoice upon receipt. Upon conclusion of the invoice review and if, to the satisfaction of the City, all charges are acceptable and approved, the invoice will be processed for payment. It is typical that most invoices to the City are paid within 45 days of receipt, which is dependent on the basis that the City Council will meet two times per month. In the event that, upon its review, the City disputes any portion of a bill, the City will (a) reimburse to Operator all undisputed portions of said invoice within the approximate 45-day time frame as detailed above, and (b) notify Operator in writing, within 15 business days of receipt of invoice, in sufficient detail to reply and address the City’s concerns regarding each item and associated dollar value of any item in dispute.
- (iii) City of Bell Gardens will pay to Operator, as described above, after receipt of an invoice therefor, with appropriate supporting documentation, the amount of the actual costs incurred by Operator during the preceding month for providing the Ordinary Additional Services equal to the sum of:
 - (a) the labor rates agreed to by the parties pursuant to herein for such Additional Services multiplied by the number of hours worked by each worker, to the nearest quarter hour, in each position during the preceding month, plus;
 - (b) the actual out-of-pocket cost and markup of equipment, materials, supplies, spare parts, expendables and consumables provided by Operator, postage, and other actual out-of-pocket costs incurred by Operator in connection with providing such Ordinary Additional Services, the costs and markup of which shall be consistent with Paragraph iii(a) above.

10. Purchases and Payments by Bell Gardens

Bell Gardens shall be responsible for:

- (iv) Purchasing or otherwise obtaining imported water supplies from the local wholesaler of the Metropolitan Water District of Southern California, the Central Basin Municipal Water District, electrical power from Southern California Edison Company, chemicals to be used in connection with the operation and maintenance of the water system and the delivery of water to Customers,
- (v) Permits required to operate and maintain the water system and to provide the Services,
- (vi) Pumping assessments of the Water Replenishment District of Southern California for pumping ground water from the Central Groundwater Basin,
- (vii) Pumping assessments levied by the Central Basin Water Master,
- (viii) All costs of testing of water quality samples collected by the Operator, and the testing being done by a State of California Water Board Department Certified Laboratory.

11. Term

The term of this Agreement shall be from the Effective Date, to and including June 30, 2025. Bell Gardens shall notify Operator of its intent to commence negotiations to renew this Agreement no later than January 1, 2025.

12. Standard of Care

Operator represents, acknowledges and agrees as follows:

- (i) Operator shall perform all work skillfully, competently and to the highest standards applicable to the Operator's field;
- (ii) Operator represents and maintains that it is skilled in the professional calling necessary to perform the Services;
- (iii) Operator shall perform all work in a manner reasonably satisfactory to the City;
- (iv) Operator shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.). Operator's compliance with applicable laws will include, without limitation, compliance with all applicable Cal/OSHA requirements and applicable regulations of the Federal Department of Housing and Urbanization;
- (v) Operator understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;

(vi) All of Operator's employees and agents (including but not limited to Operator's subContractors and subconsultants) possess sufficient skill, knowledge, training and experience to perform those services and tasks contemplated under this Agreement;

(vii) All of Operator's employees and agents (including but not limited to Operator's subContractor and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement; and

(viii) Operator shall at all times employ such force, plant, materials, and tools as will be sufficient in the opinion of the City to perform the Services within the time limits established, and as provided herein. It is understood and agreed that said tools, equipment, apparatus, facilities, labor, and material shall be furnished and said Services performed and completed as required by the Agreement, and subject to the approval of the City's authorized representative. The quality of Services shall meet or exceed those standards established by the City or County of jurisdiction.

(ix) The Parties acknowledge and agree that Operator shall perform, at Operator's own cost and expense and without any reimbursement from City, any services or tasks necessary to correct any errors or omissions caused by Operator's failure to comply with the standard of care set forth under this Section or by any like failure on the part of Operator's employees, agents, Operators, subContractor and subconsultants. Such effort by Operator to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed within seven (7) calendars days from the date of discovery or such other extended period of time authorized by the City Representative in writing and absolute discretion. The Parties acknowledge and agree that Operator's acceptance of any work performed by Operator or on Operator's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that Operator has relied upon the foregoing representations of Operator, including but not limited to the representation that Operator possesses the skills, training, knowledge and experience necessary to perform the Work in a skillful and competent manner equivalent to, the standard of performance generally recognized as being employed by professionals performing the same type of work and services in the State of California.

13. Operator's Personnel

(i) Operator represents that it has, or will secure at its own expense, all personnel required to perform the Work and all other services and tasks necessary for Operator to competently and timely complete the improvements contemplated under this Agreement. All work, services and tasks will be performed under Operator's supervision, and Operator's personnel engaged in the performance

of the Work, services and tasks contemplated under this Agreement shall possess the qualifications, permits and licenses required by applicable law to perform such work, services and tasks.

(ii) Operator shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the Work. Operator shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Operator's performance of the Work, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes, penalties, or interest levied, assessed, or imposed against City hereunder.

(iii) Operator shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Work.

(iv) In the event that City, in its sole reasonable discretion, at any time during the Term of this Agreement, desires the removal of any person or persons assigned by Operator to perform services pursuant to this Agreement, Operator shall remove any such person immediately upon receiving notice from City of the desire of City for the removal of such person or persons.

(v) Operator shall be responsible for payment of all employees' and subconsultants' wages and benefits and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

(vi) Operator shall obtain and maintain during the Agreement Term all necessary licenses, permits and certificates required by law for the performance of the Work contemplated under this Agreement.

14. Independent Contractor

(i) All acts of Operator, its agents, officers, subContractors and employees and all others acting on behalf of Contractor relating to the performance of this

Agreement, shall be performed as independent Contractors and not as agents, officers, or employees of City. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of City. Contractor has no authority or responsibility to exercise any rights or power vested in City. No agent, officer, or employee of City is to be considered an employee of Contractor. It is understood by both Contractor and City that this Agreement shall not, under any circumstances, be construed or considered to create an employer-employee relationship or a joint venture.

(ii) Operator, its agents, officers, subContractors and employees are and, at all times during the Term of this Agreement, shall represent and conduct themselves as independent Contractors and not as employees of City.

(iii) Operator shall determine the method, details and means of performing the Work. Operator shall be responsible to City only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be

subjected to City's control with respect to the physical action or activities of the Operator in fulfillment of this Agreement. Operator has control over the manner and means of performing the services under this Agreement. Operator is permitted to provide services to others during the same period as it provides services to City under this Agreement. If necessary, Operator has the responsibility for employing other persons or firms to assist Operator in fulfilling the terms and obligations under this Agreement.

(iv) If in the performance of this Agreement any third persons are employed by Operator, such persons shall be entirely and exclusively under the direction, supervision, and control of Operator. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the Operator.

(v) It is understood and agreed that as an independent Contractor and not an employee of City neither the Operator nor Operator's assigned personnel shall have any entitlement as a City employee, right to act on behalf of City in any capacity whatsoever as an agent, or to bind City to any obligation whatsoever.

(vi) As an independent Contractor, Operator hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

15. Conflict of Interest

(i) Operator hereby warrants for itself, its employees, and subContractor that those persons presently have no interest and shall not obtain any interest, direct or indirect, which would conflict in any manner with the performance of the services contemplated by this Agreement. No person having such conflicting interest shall be employed by or associated with Operator in connection with this project. Operator hereby warrants for itself, its employees, and subContractor that no such person shall engage in any conduct which would constitute a conflict of interest under any City ordinance, state law or federal statute. Operator agrees that a clause substantially similar to this Section shall be incorporated into any sub-contract that Operator executes in connection with the performance of this Agreement

16. Non-Discrimination

(i) During the performance of this Agreement, Operator and its subContractor shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. Operator and subContractor shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Operator and subContractor shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, Section 12990 et seq.) and the applicable regulations promulgated hereunder (California Code of Regulations, Title 2,

Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Contract by reference and made a part hereof as if set forth in full. Operator and its subContractor shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. This Operator shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform the Work under this Agreement.

17. Indemnification

(i) To the fullest extent permitted by law, Operator hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless City and City's elected and appointed officials, officers, attorneys, agents, employees, volunteers, successors, and assigns (collectively "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith (collectively "Liabilities"), arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Operator or any of Operator's officers, agents, servants, employees, subContractor, materialmen, suppliers or their officers, agents, servants or employees, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to this Agreement and the performance or failure to perform any term, provision, covenant, or condition of the Agreement, including this indemnity provision. This indemnity provision is effective regardless of any prior, concurrent, or subsequent active or passive negligence by Operator and shall operate to fully indemnify Indemnitees against any such negligence. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnitees may have under the law or elsewhere under this Agreement. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against any one or more of the Indemnitees shall be conclusive in favor of the Indemnitees' right to recover under this indemnity provision. Operator shall pay Indemnitees for any attorney's fees and costs incurred in enforcing this indemnification provision. Notwithstanding the foregoing, nothing in this instrument shall be construed to encompass (a) Indemnitees' sole negligence or willful misconduct to the limited extent that the underlying Agreement is subject to Civil Code § 2782(a), or (b) the contracting public agency's active negligence to the limited extent that the underlying Agreement is subject to Civil Code § 2782(b). This indemnity is effective without reference to the existence or applicability of any insurance coverage(s) which may have been required under the Agreement or any additional insured endorsements which may extend to Indemnitees. Accountants, attorneys, or other professionals employed by Indemnitor to defend Indemnitees shall be selected by Indemnitees. Operator, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to activities or operations performed by or on behalf

of the Indemnitor regardless of any prior, concurrent, or subsequent active or passive negligence by the Indemnitees.

(ii) Operator's obligations under this or any other provision of this Agreement will not be limited by the provisions of any workers compensation act or similar act. Operator expressly waives its statutory immunity under such statutes or laws as to the Indemnities.

(iii) Operator agrees to obtain executed indemnity agreements with provisions identical to those in this Section from each and every subContractor or any other person or entity involved by, for, with or on behalf of Operator in the performance of this Agreement. In the event Operator fails to obtain such indemnity obligations for the benefit of City, Operator agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged, intentional, reckless, negligent or otherwise wrongful acts, errors or omissions of Operator or any of its officers, employees, servants, agents, subContractor, volunteers or any other person or entity involved by, for, with or on behalf of Operator in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

(iv) City does not, and shall not; waive any rights that it may possess against Operator because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense. Operator agrees that Operator's covenant under this Section shall survive the termination of this Agreement.

(v) Operator shall fully comply with the workers' compensation laws regarding Operator and Operator's employees. Operator further agrees to indemnify and hold City harmless from any failure of Operator to comply with applicable workers' compensation laws. City shall have the right to offset against the amount of any fees due to Operator under this Agreement any amount due to City from Operator as a result of Operator's failure to promptly pay to City any reimbursement or indemnification arising under this Section.

18. Liability Insurance.

(i) Operator shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(a) Commercial General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for each occurrence and in the aggregate for any personal injury, death, loss or damage.

(b) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

(c) Worker's Compensation insurance as required by the State of California.

(ii) Operator shall require each of its sub-consultants or subContractor to maintain

insurance coverage that meets all of the requirements of this Agreement.

(iii)The policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

(iv)Operator agrees that if it does not keep the insurance required in this Agreement in full force and effect, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at Operator's expense, the premium thereon.

(v) Prior to commencement of Work under this Agreement, Operator shall file with City's Risk Manager a certificate or certificates of insurance showing that the insurance policies are in effect and satisfy the required amounts and specifications required pursuant to this Agreement.

(vi)Operator shall provide proof that policies of insurance expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

(vii) The general liability and automobile policies of insurance shall contain an endorsement naming City, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns as additional insureds. All of the policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to City. Operator agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

(viii) All policies of Commercial General Liability and Automobile Liability insurance shall be primary and any other insurance, deductible, or self- insurance maintained by the City, its officials, officers, employees, agents, or volunteers shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

(ix)All insurance coverage provided pursuant to this Agreement shall not prohibit

Operator, and Operator's employees, agents, subContractor, or volunteers from waiving the right of subrogation prior to a loss. Operator hereby waives all rights of subrogation against City, its officials, officers, employees, agents and volunteers.

(x) Any deductibles or self-insured retentions must be approved by City. At the option of City, Operator shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Operator shall procure a bond guaranteeing payment of losses and expenses.

(xi) If Operator is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its managers, affiliates, employees, agents, and other persons necessary or incidental to its operation are insureds.

(xii) Procurement of insurance by Operator shall not be construed as a limitation of Operator's liability or as full performance of Operator's duties to indemnify, hold harmless and defend under Section 19 of this Agreement.

(xiii) In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Operator or City will withhold amounts sufficient to pay premium from Operator payments. In the alternative, City may cancel this Agreement effective upon notice.

(xiv) City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

19. Obligations of Bell Gardens

Except as otherwise agreed upon by the parties in writing, Bell Gardens shall be responsible for taking all actions that may be reasonably necessary, and for payment of any applicable costs and expenses in connection therewith, with respect to:

- (i) any changes in law affecting the Services to be provided by Operator hereunder,
- (ii) any requirement of law or any governmental entity to improve or change the quality of water delivered to customers or for the deterioration in the quality of ground water and purchased water used in providing the Services,
- (iii) any repairs or replacements necessary to restore the water system to substantially the same condition as existed prior to any damage or destruction thereto (except to the extent due to the negligence or willful

misconduct of Operator), plus any upgrades that may be required by applicable law,

- (iv) any capital improvements or repairs, other than Basic Customer Services, any Additional Services agreed to be provided by Operator hereunder, or any emergency repairs required to be made by Operator for Operator to provide the Services in compliance with all provisions of applicable law, and
- (v) any other matters related to the operation and maintenance of the water system and delivery of water to Customers, other than the Services.

20. Events of Default

Unless caused by, or due to the inaction of, the other party or excused or justified by an Uncontrollable Circumstance, the failure of a party to perform in a timely manner in any material respect any obligation to be performed by it hereunder shall constitute an Event of Default if such failure cannot be cured or if such failure can be cured and remains uncured for thirty (30) days after notice from the non-defaulting party to the defaulting party to cure such failure (or within such longer period of time as is necessary to remedy such failure so long as the defaulting party immediately initiates and diligently pursues appropriate measures to remedy such failure); provided that the thirty (30) day notice period with opportunity to cure shall not be required in the event of persistent and repeated failures to perform; provided further that it shall not be an Event of Default if a bona fide dispute exists with respect to whether there has been any such failure to perform in a timely manner in any material respect, unless that matter has been submitted to dispute resolution but not resolved within ninety (90) days (as extended by mutual agreement of the parties). In addition to the foregoing, the failure of Bell Gardens to pay any amounts due to Operator hereunder when due or to give Operator access to the water system, the books and records in its possession relating to the provision of the Services or to its employees shall constitute an Event of Default. Likewise, the failure of Operator or its employees to act with good intentions and pursuant to standards of the maintenance and operation of a publicly owned water system of the size and level of service with reasonable standards of service shall constitute an Event of Default.

21. Remedies

This Agreement may be terminated by the non-defaulting party upon ninety (90) days' prior written notice to the defaulting party if an Event of Default has occurred and is continuing. Each party may exercise all legally available remedies with respect to an Event of Default by the other party, subject to each party's obligation to cooperate in resolving disputes.

22. Uncontrollable Circumstances

- a. In the event that either party is rendered wholly or partly unable to perform its obligations hereunder as a result of an Uncontrollable Circumstance, that party shall be excused from whatever performance is affected by the Uncontrollable Circumstance to the extent so affected;

provided that (a) the nonperforming party promptly after the occurrence of the Uncontrollable Circumstance (or becoming aware of the adverse impact of any Uncontrollable Circumstance), gives the other party notice describing the particulars of the occurrence, (b) the suspension of performance is of no greater scope and of no longer duration than is required by the Uncontrollable Circumstance, (c) the nonperforming party uses its best efforts to remedy its inability to perform, and (d) when the nonperforming party is able to resume performance of its obligations hereunder, that party gives the other party written notice of such resumption.

- b. The parties agree in good faith to amend this Agreement in order to equitably change the obligations of the parties hereunder in a manner that will facilitate the continued provision of the Services by Operator in the event that an Uncontrollable Circumstance has or may reasonably be expected to have a material adverse effect on the rights and obligations of either party hereunder or the provision of Services by the Operator and cannot be corrected for a period of more than ninety (90) days. In the event that the parties cannot reach agreement on any such amendment, the matter shall be submitted to dispute resolution process set forth herein, this Agreement may be terminated by either party, subject to the right of the other party to pursue all legally available remedies in the event that a court of competent jurisdiction determines that the early termination of this Agreement by such party was improper.
- c. For the purposes of this Agreement, the term “Uncontrollable Circumstance” shall mean any act or event that has had or may reasonably be expected to have a substantial or material effect on (a) the rights or obligations of the parties to make payments as provided herein when due, or (b) the provision of Services, if such act or event is beyond the reasonable control or responsibility of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Agreement and which such party has been unable to overcome by the exercise of due diligence, including, without limitation, (c) any act of God, natural disaster, war, civil disturbance, or similar occurrence; (d) any order of any governmental entity, if such order is not also the result of negligent or willful action or failure to act by the party relying thereon; (e) suspension, termination, interruption, denial, failure to issue, or failure of renewal of any permit essential to providing the Services, if such act or event is not also the result of a negligent or willful act or failure to act by the party relying thereon; (f) the failure of any appropriate governmental entity or public or private utility having operational jurisdiction in the area to provide water to the water system or to maintain and assure the maintenance of all utilities; (g) a change in law; (h) a strike against either party or a contractor or supplier thereof; or (i) plague, epidemic, pandemic, outbreaks of infectious disease,

or any other public health crisis, including quarantine or other employee restrictions.

23. Resolution of Disputes

Each party shall continue to perform its obligations hereunder pending resolution of any dispute. The parties agree to cooperate and use all reasonable efforts pursuant to the terms of this Agreement to facilitate the provision of the Services by Operator hereunder. Accordingly, the parties agree in good faith to undertake the resolution of disputes in an equitable and timely manner, provided that, if any matter is not resolved within ninety (90) days (as extended by mutual agreement of the parties), such dispute shall be mediated before one or more mediators mutually acceptable to both parties. The cost of mediation will be allocated as part of the resolution in mediation, but, absent such resolution, shall be paid equally by the parties.

24. Attorneys' Fees

Should either party hereto bring suit to enforce any provision or provisions hereof, or assert any provision or provisions hereof in defense of a suit brought by the other party and prevail therein, or should any litigation be commenced between the parties concerning this or involving this Agreement, then the prevailing party shall be entitled to recover from the other party its attorneys' fees as are fixed by the court.

25. Assignment

Except in the case of a sale of all or substantially all of the assets of Operator, a merger, consolidation, or transfer of 50% or more of the stock of Operator, Operator shall not assign this Agreement in whole or in part to any person or persons without obtaining the prior written consent of Bell Gardens to do so, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Operator may assign this Agreement to a subsidiary or affiliate without obtaining the consent of Bell Gardens if, immediately after such assignment, the services will continue to be performed by personnel comparable to those who performed the services hereunder on behalf of Operator. Operator shall promptly notify Bell Gardens of any assignment permitted hereunder. Each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the respective parties.

26. Termination of Agreement

Termination for Convenience. City may immediately terminate this Agreement for convenience, without cause and without penalty or liability at any time upon the issuance of written notice to Operator specifying the effective date of such termination. Such termination for convenience shall be made in writing signed by either the City Representative, the City Manager or the Assistant City Manager. Operator may only terminate this Agreement for cause.

(ii) Termination for Cause. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this

Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth in this Section or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement. An Event of Default shall include, but shall not be

limited to the following: (i) Operator's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (ii) Operator's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iii) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to Operator, whether voluntary or involuntary; (iv) Operator's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (v) City's discovery that a statement representation or warranty by Operator relating to this Agreement is false or erroneous in any material respect, including any statement, representation or warranty set forth in the Equipment Specifications.

(a) Operator shall cure the following Events of Default within the following time periods:

1. Within three (3) business days of City's issuance of a Default Notice for any failure of Operator to timely provide City or City's employees or agents with any information and/or written reports, documentation or work product which Operator is obligated to provide to City or City's employees or agents under this Agreement. Prior to the expiration of the 3-day cure period, Operator may submit a written request for additional time to cure the Event of Default upon a showing that Operator has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 3-day cure period. The foregoing notwithstanding, City shall be under no obligation to grant additional time for the cure of an Event of Default under this subsection that exceeds seven (7) calendar days from the end of the initial 3-day cure period; or

2. Within thirty (30) calendar days of City's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 30-day cure period, Operator may submit a written request for additional time to cure the Event of Default upon a showing that Operator has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 30-day cure period. The foregoing notwithstanding, City shall be under no obligation to grant additional time for the cure of an Event of Default under this subsection that exceeds thirty (30) calendar days from the end of the initial 30-day cure period.

If an Event of Default relates to a material falsehood or misrepresentation set forth in

Exhibit "C" that is not susceptible to a cure, City in its sole and absolute discretion may elect to treat the falsehood or misrepresentation as a breach of this Agreement or waive the falsehood or misrepresentation. The foregoing notwithstanding, the prior waiver of a falsehood or misrepresentation as an Event

of Default shall not operate as a waiver or any other falsehood or misrepresentation later discovered by City.

(b) Except as otherwise specified in this Agreement, City shall cure any Event of Default asserted by Operator within thirty (30) calendar days of Operator's issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 30-day cure period. Prior to the expiration of the 30-day cure period, City may submit a written request for additional time to cure the Event of Default upon a showing that City has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 30-day cure period. The foregoing notwithstanding, an Event of Default dealing with City's failure to timely pay any undisputed sums to Operator shall be cured by City within five (5) calendar days from the date of Operator's Default Notice to City.

(c) City, in its sole and absolute discretion, may also immediately suspend Operator's performance under this Agreement (or the performance of any specific task or function performed by Operator under this Agreement) pending Operator's cure of any Event of Default by giving Operator written notice of City's intent to suspend Operator's performance (hereinafter, a "Suspension Notice"). City may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, Operator shall be compensated only for those services and tasks which have been rendered by Operator to the reasonable satisfaction of City up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of City shall operate to prohibit or otherwise restrict City's ability to suspend this Agreement as provided herein.

(d) No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

(e) The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies

available to City at law or under this Agreement in the event of any breach of this Agreement, City, in its sole and absolute discretion, may also pursue any one or more of the following remedies:

1. Upon written notice to Operator, the City may immediately terminate this Agreement in whole or in part;
2. Upon written notice to Operator, the City may extend the time of performance;
3. The City may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for Operator's breach of the Agreement or to terminate the Agreement; or
4. The City may exercise any other available and lawful right or remedy.

5. Operator shall be liable for all legal fees plus other costs and expenses that City incurs upon a breach of this Agreement or in the City's exercise of its remedies under this Agreement.

(f) In the event City is in breach of this Agreement, Operator's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to Operator under this Agreement for completed services and tasks. In no event shall Operator be entitled to receive more than the amount that would be paid to Operator for the full performance of the services required by this Agreement.

(g) No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

27. Annual Review of Services

Annually, at the initiation of either party, the parties shall meet and confer regarding terms and conditions of this Agreement.

28. Notices

Any notice hereunder shall be deemed sufficient if given by one party to the other in writing and either delivered in person, transmitted by telecopy or other telecommunications mechanism, or deposited in the United States mail in a sealed envelope, certified and with postage and postal charges prepaid, and addressed as follows:

If to Operator: Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241
Telephone: (800) 757-5987
Email: Frank.Heldman@libertyutilities.com

If to Bell Gardens: Chau Vu or her successor
Director of Public Works
8327 South Garfield Avenue
Bell Gardens, CA 90201
Telephone: (562) 806-7770
Fax: (562) 806-7789
Email: CVu@bellgardens.org

or to such other address or person as either party shall have last designated by such notice to the other party. The effective date of such notice shall be the earlier of the

date of actual receipt or three days following deposit in the United States mail.

29. Entire Agreement

This Contract Agreement and the enclosures hereto and exhibits identified herein contain the entire agreement between the parties with respect to the subject matter hereof, and any agreements or representations respecting the subject matter hereof or the duties of either partying relation thereto, which agreements and representations are not expressly set forth in this Agreement, are null and void. The parties hereto represent and warrant, each to the other, that they have relied on no statements, representations, or agreements by or with the other, or agents thereof, other than as contained herein.

30. Amendments: Waivers

This Contract Agreement may be amended only by an agreement in writing between Bell Gardens and Operator. No waiver of any provision of, nor any consent to any exception to the terms of this Contract Agreement, shall be effective unless in writing and signed by the party to be bound and then only for the specific purpose, extent, and instance so provided.

31. Waiver

No failure on the part of any party to exercise or any delay in exercising any right hereunder shall be deemed a waiver thereof, nor shall any single or partial exercise preclude any further or other exercise of such or any other right.

32. Counterparts

This Contract Agreement may be executed by facsimile signature and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

33. Severability

Any provision of this Contract Agreement that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provision shall remain in full force and effect, provided that the essential terms and conditions of this Contract Agreement for both parties remain valid, binding, and enforceable. To the extent permitted by applicable law, Bell Gardens and the Operator, to the same extent, waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

IN WITNESS WHEREOF, the parties hereto have caused this Contract Agreement to be executed by their respective officials or officers therefore duly authorized.

THE CITY:


THE OPERATOR:

CITY OF BELL GARDENS

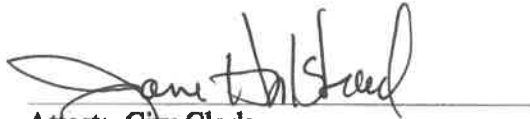
Liberty Utilities (Park Water) Corp.



Mayor




President, California



Attest: City Clerk

Notary Public



on behalf of
Approved as to Form: City Attorney

Attachment 1-12:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q5c 027-CR Suburban Service Agreement

LIBERTY UTILITIES (PARK WATER) CORP. - SUBURBAN WATER SYSTEMS

SERVICE AGREEMENT

This Service Agreement ("Agreement") is made and entered into by and between Liberty Utilities (Park Water) Corp., a California corporation ("Liberty Park Water") and Suburban Water Systems, a California corporation ("Suburban") (each a "Party" and, collectively, the "Parties").

RECITALS

WHEREAS Suburban is required by the Division of Drinking Water ("DDW") to have a metered service connection ("Service" or "Interconnection") between Liberty Park Water's water system and Suburban's water system for the sale and delivery of water to Suburban for use in the former Sativa Los Angeles Water District's water system ("Sativa Water System") pending DDW authorization to operate the manganese treatment facility at the Sativa Water System's Well 5;

WHEREAS Liberty Park Water, a public utility engaged in the business of producing, distributing, and selling water to its customers, subject to the jurisdiction of the California Public Utilities Commission, is not obligated by its tariffs or otherwise to furnish or sell water to any person or entity, including Suburban, for resale;

WHEREAS, the County of Los Angeles, as administrator of the Sativa Water System, installed certain isolation valves, meters, and pressure reducing valves that comprise the Interconnection, and has agreed to convey those assets to Liberty Park Water;

WHEREAS Liberty Park Water owns and operates its own water distribution system adjacent to the Sativa Water System;

WHEREAS Suburban anticipates shortly after closing of the Sativa Water System that it will pay for and own an 8-inch pipeline newly installed in Paulsen Avenue, which completely separates the Sativa Water System from Liberty's water system ("the new Paulsen Pipeline") which will provide water to Suburban at the Point of Delivery, (as subsequently defined). WHEREAS the Parties desire to establish a contractual relationship authorizing the provision of water by Liberty Park Water to Suburban to supply the Sativa Water System;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the Parties hereto agree as follows:

AGREEMENT

1. Location of the Service

1.1. The Service is to be located on the southwest corner of 137th Street and Paulsen at **1605 N. Paulsen Ave., Compton. CA 90222.**

1.2. Liberty Park Water's obligation to supply water shall be subject to the following: (a) the availability of such water to Liberty Park Water; (b) the ability of the Parties' water distribution systems to deliver such water through the Interconnection described in this Agreement; and (c) Liberty Park Water's determination, at its sole discretion, that the supply of such water will not have an adverse economic impact on, or result in the impairment of, or

jeopardize Liberty Park Water's water system, its customers, or its commitments to third parties.

1.3. Water delivered to Suburban pursuant to this Agreement shall be measured and recorded by a water meter with the capability of measuring the expected range of flow within +/- 5% accuracy.

2. Term and Termination

2.1. This Agreement shall commence on the Effective Date (as defined in herein) and shall continue from month to month unless terminated pursuant to or in accordance with this Agreement.

2.2. Either Party may terminate this Agreement upon giving the other party at least ninety (90) days prior written notice.

2.3. In the event this Agreement is terminated for any reason, the Parties shall promptly make an accounting of water exchanges as of the effective date of termination and payment shall be made.

3. Interconnection and Ownership

3.1. There is one Point of Delivery for the water to be supplied pursuant to this Agreement: The Interconnection located at the southwest corner of 137th Street and Paulsen at 1605 N. Paulsen Ave., Compton, CA 90222.

3.2. Liberty Park Water will own and operate any meters and its associated vaults with respect to the Interconnection.

3.3. Suburban shall be responsible for the cost of maintenance of the Service facilities owned by Liberty Park Water, including the water meter. Such maintenance is to include periodic testing of the water meter. If the periodic testing of the water meter discloses that the water meter was not measuring and recording within the +/-5% range of accuracy, an appropriate billing adjustment will be made upon Suburban being provided a written calculation supporting the adjustment. Liberty Park Water will perform or arrange for all necessary maintenance and testing of the water meter, and Suburban shall reimburse Liberty Park Water for the reasonable cost thereof. The meter accuracy test must be performed no less than two times per year, but no more than four times per year, in Liberty's sole discretion. Suburban will be provided advance notice of such tests, and may elect to have staff present for such tests. Suburban will pay Liberty Park Water for such costs within 30 days after receipt of an invoice and the written test report from Liberty Park Water.

3.4. Suburban will perform or arrange for all necessary maintenance and/or repair of those portions of the Interconnection that it owns as described in Sections 4.1 and 4.2. Suburban will have sole responsibility for the costs of such maintenance and/or repair.

3.5. Suburban's right to use the Interconnection and to receive water from Liberty Park Water's water distribution system shall be subject to the limitations in this Agreement, including those limitations in Section 5 (Delivery of Water).

4. Backflow Prevention and Pressure Reduction

4.1. Liberty Park Water requires the installation of a backflow prevention device on the Service. A double check detector assembly installed within a utility vault is acceptable to Liberty Park Water, and shall be installed downstream of the water meter on Suburban's side of the Service, by and at the expense of Suburban, and shall be maintained in proper operating condition by and at the expense of Suburban. This device will be tested twice per year starting from the date of installation.

4.2. Suburban understands that the water pressure in Liberty Park Water's water system may be greater than that in Suburban's water system, and, as a result, a pressure-reducing valve, and related appurtenances, is required on Suburban's side of the Service connection. Suburban shall be responsible for the installation and maintenance of a pressure-reducing valve and related appurtenances at Suburban's expense. This device will be tested a minimum of twice per year starting from the date of installation. Suburban agrees to request written permission from Liberty Park Water to change settings in pressure or flow as described in Section 4.3.

4.3. Liberty Park Water requires Suburban to receive water in a manner to avoid adverse impacts to the Liberty Park Water's distribution system. Therefore, Suburban agrees to install and maintain any devices necessary to regulate the upstream pressure (pressure upstream of the Interconnection (i.e., Liberty Park Water's system)) and the maximum flow through the Interconnection. The upstream water pressure shall not drop below 60 pounds per square inch (PSI) as a result of using this connection. The maximum flow through this connection shall be limited to 1,500 gallons per minute (GPM).

4.4. Suburban must complete inspections monthly. The inspections will be coordinated with Liberty Park Water and will document the pressure settings, water consumption, downstream (i.e., Suburban's system) water pressure, upstream (i.e., Liberty Park Water's system) water pressure, and all valve positions and operation. The findings of these items must be presented to Liberty Park Water in the form of a monthly report.

5. Delivery of Water

5.1. Liberty Park Water will deliver up to 1,500 GPM of water through this connection. Initial calculations confirm the ability to deliver 1,500 GPM as needed for the Suburban system. Suburban will be provided this reliable and uninterruptible source of water contingent upon meeting the conditions contained in the Agreement. Suburban agrees that it will request water service pursuant to this Agreement only in the case of temporary emergencies, such as a failure or a defect in its wells, pumping, or related equipment and facilities, or the inability of such facilities to provide water in such quantity or of such quality as Suburban deems necessary to meet its customers' needs, which failure, defect, or inability Suburban agrees to repair or correct in a timely manner. Water can be provided at the Service only upon request by

Suburban to Liberty Park Water's central control operator (California Water Operations Department).

5.2. Liberty Park Water will supply only such water at such pressure as may be available from time to time from the operation of its water system. The Parties understand and agree that, in the event Liberty Park Water cannot deliver water to Suburban without negatively affecting Liberty Park Water customers, Liberty Park Water may reduce or suspend indefinitely service under the Agreement until such time as Liberty Park Water deems it appropriate to restore water delivery under this Agreement. Liberty Park Water will attempt to provide no less than twelve (12) hours written notice of its intent to interrupt or curtail such service and will restore such service to Suburban as soon as practicable. Both Parties acknowledge that Liberty Park Water does not have any obligation to provide any guaranteed amounts of water to Suburban and that Liberty Park Water will undertake reasonable commercial efforts to do so when requested by Suburban.

5.3. Although Liberty Park Water will make reasonable efforts to provide water to the Sativa Water System through this connection consistently and as needed, water delivery to Suburban pursuant to this Agreement may be denied, limited, curtailed, or terminated if Liberty Park Water, in its sole discretion, determines that conditions within its water system warrant such a denial, limitation, curtailment, or termination. Liberty Park Water shall have the right to close the Interconnection upon giving five business days' notice to Suburban. Once such conditions are remedied Liberty shall restore normal flow.

5.4. Liberty Park Water agrees that all water provided to Suburban through the interconnection will comply with Title 22 of the California Code of Regulations and all other Federal, State and local law, ordinances, rules and regulations for water quality.

5.5. Because Suburban is providing water service to its customers through Suburban's distribution facilities over which Liberty Park Water does not have any control or responsibility, Liberty Park Water cannot, and does not, make any warranty or representation as to the quality of the water once delivered to Suburban or at its ultimate point of use by Suburban. Suburban shall be solely and exclusively responsible for delivery of water to Suburban's customers after it has taken possession of the water from Liberty Park Water. Suburban acknowledge and agrees that Liberty Park Water shall not have any duties or responsibilities relating to delivery of water to or use of water by Suburban's customers. As such, Suburban shall defend, indemnify and hold harmless Liberty Park Water as to any third-party claim regarding injury or damage resulting from water quality of water delivered under this Agreement, provided that Liberty Park Water is in compliance with section 5.4 of this agreement.

6. Rates and Charges

Water furnished through the Service shall be measured by a water meter that Liberty Park Water will read monthly. Liberty Park Water will bill Suburban, and Suburban agrees to pay Liberty Park Water \$3,600/AF plus any additional charges related to supplying water through this connection will be a "pass-through" cost from Liberty to Suburban). Liberty Park Water will total the water consumption for the meter in preparing its monthly billing to Suburban, and Suburban shall pay Liberty Park Water monthly for the metered usage during the term of this

Agreement. Liberty Park Water will provide Suburban an invoice no later than five (5) working days after the close of the month. Suburban will pay the invoice in full within fifteen (15) days of receipt. The payment of the invoice will be considered late if the payment is not received within thirty (30) days. Late payments will be subject to a 10% late fee.

7. Indemnity

7.1. With the exception of any claim, cause of action, or any liability, loss, damage, or expense arising solely from the quality of water, presence of pollutants, pesticides or chemicals, or safety of water delivered to the Service, Suburban hereby releases and agrees to indemnify, hold harmless, and defend Liberty Park Water and its directors, officers, employees, agents, and contractors from and against any claim, cause of action, or any liability, loss, damage, or expense, including reasonable attorneys' fees, which Liberty Park Water or its directors, officers, employees, agents, and contractors may incur or suffer by reason of any claim asserted by or on behalf of Suburban or Suburban's customers, the public, or other person or entity, directly or indirectly arising from this Agreement, or relating to any water or water service furnished pursuant to this Agreement, including, without limitation to, Liberty Park Water's active or passive negligence.

7.2. With the exception of any claim, cause of action, or any liability, loss, damage, or expense arising solely from the quality of water, presence of pollutants, pesticides or chemicals, or safety of water delivered to the Service, to the fullest extent permitted by law, Suburban shall indemnify, defend, and hold harmless Liberty Park Water, its parent and affiliates, and its current and former officers, directors, agents, employees, representatives, and its successors and assigns from and against all claims, demands, actions, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees and expenses arising from or relating to (a) any acts or omission of Suburban, its employees, contractors, consultants, and/or agents; (b) delivery of water by Suburban to Suburban's customers; (c) the quality of water delivered by Suburban to Suburban's customers; (d) Suburban's use of water and/or the Interconnection; (e) Suburban's breach of a representation, warranty, covenant, or obligation under the Agreement; (f) Suburban's gross negligence or willful acts or omissions in performing under this Agreement.

8. Limitation of Liability

In no event shall either Party be liable to the other Party, whether under breach of contract, tort (including negligence), strict liability or any other theory of liability, whenever arising, for consequential, punitive, special, or indirect damages of any nature.

9. Continuation of Agreement

Subject to the provisions of Section 5 (Delivery of Water) of this Agreement and provided that Suburban complies with and performs all of the terms and conditions required of it under this Agreement, this Agreement shall remain in effect until terminated by either party hereto upon 90 days' written notice given to the other party.

10. Notices

Any formal notice, demand, or request provided for in this Agreement, or given or made in connection with this Agreement-including any invoices under this Agreement-shall be in writing and shall be deemed to be properly given or made by one of the following methods: personal delivery; recognized overnight delivery service; facsimile; certified U.S. Mail, postage prepaid:

If to Liberty Park Water:

Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241
Attn: Frank M. Heldman, Sr. Director of Operations
Tel: (562) 805-2015

If to Suburban:

Suburban Water Systems
1325 N. Grand Ave.
Covina, CA 91724
Attn: Craig Gott, President
Tel: (626) 543-2554

10.1. Any formal notice, demand, or request personally delivered shall be deemed received upon receipted delivery; if by recognized overnight delivery service, upon receipted delivery; if by U.S. Mail, it will be deemed received three (3) business days following deposit in the U.S. Mail.

10.2. A Party may at any time, by written notice, change the designation or the address of the person so specified.

10.3. This Section does not apply to notices and requests of a routine character in connection with delivery or receipt of water or in connection with operation of facilities. Such notices and requests shall be given in such manner as the operating representatives from time to time shall specify.

11. Laws, Regulations, Permits

11.1. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of California without regard to principles of conflicts of law.

11.2. Parties shall give all notices required by law and comply with all laws, ordinances, rules, and regulations. Any permits or licenses applicable to the operation of the Sativa Water System, including without limitation, National Pollution Discharge Elimination System permits, shall be secured, paid for, and complied with by Suburban.

12. Waiver

No waiver or failure to exercise any right, option or privilege under the terms of this Agreement on any occasion shall be construed to be a waiver of any other right, option or privilege on any other occasion.

13. Assignment

This Agreement may not be assigned by either Party without the express written consent of the other Party with such consent not to be unreasonably withheld.

14. Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all oral or written representations or written agreements that may have

been entered into between the Parties. Except as otherwise provided in this Agreement, no modification or revision shall be of any force or effect, unless the Parties agree to such modification or revision in a writing executed by the Parties.

15. Multiple Counterparts

This Agreement may be executed in counterparts, including via facsimile and PDF, each of which shall be an original, and all of which when taken together shall constitute one and the same instrument.

16. Effective Date and Authority

16.1. The effective date of this Agreement shall be the latest date of execution hereinafter set forth below the names of the signatories hereto.

16.2. In the event the last signatory fails to set forth the execution date opposite the name of its signatory, the effective date shall be the date upon which the last signatory's executed copy of the Agreement is transmitted to the other Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date hereinafter respectively set forth.

LIBERTY UTILITIES (PARK WATER) CORP.

SUBURBAN WATER SYSTEMS

By: Edward Jackson

Craig Gott
By: FE161386726808B3BAA39C0FB6235BB0 contractworks.

Name: Edward Jackson

Name: Craig Gott

Title: Chief Financial Officer

Title: President

Date: 12/20/2022

Date: 12/20/2022

Attachment 1-13:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q4b 027-CR PW Sativa Revenue MA
2023.12.31

Company	Business Unit	Object Account	Subsidiary	Account Description	Period 1 Actual 2022	Period 2 Actual 2022	Period 3 Actual 2022	Period 4 Actual 2022	Period 5 Actual 2022	Period 6 Actual 2022	Period 7 Actual 2022	Period 8 Actual 2022	Period 9 Actual 2022	Period 10 Actual 2022	Period 11 Actual 2022	Period 12 Actual 2022	Cumulative Actual 2022
01100	1115	6111	1	MWD-Regular Commodity	485,604.98	454,804.04	545,320.44	521,928.10	590,519.45	590,020.31	624,182.47	640,752.86	560,812.51	529,936.91	499,704.42	495,213.38	6,538,799.87
01100	1115	6111	2	MWD-Minimum Flow	3,385.32	3,151.08	525.08	4,464.08	6,039.92	6,033.24	3,807.58	2,888.54	3,545.04	7,484.04	11,423.04	10,635.42	63,382.38
01100	1115	6111	3	MWD-Service Charge	15,771.93	14,208.00	14,208.00	14,208.00	14,208.00	14,208.00	14,208.00	14,208.00	14,208.00	14,208.00	14,208.00	14,208.00	172,059.93
01100	1115	6150	1	Electric Commodity	45,738.76	42,374.61	49,159.97	53,153.02	47,715.22	53,210.28	57,609.44	80,333.27	77,028.86	83,181.84	98,823.46	43,159.02	731,487.75
01100	1115	6170	101	City of Commerce	56,607.90	57,649.74	65,622.48	64,584.24	68,149.20	66,402.00	0.00	0.00	20,403.93	68,690.70	59,051.43	56,235.06	583,396.68
01100	1115	6180		Replenishment-Standard	138,022.14	136,647.08	153,900.34	151,465.42	159,826.10	155,728.50	181,657.89	175,390.14	169,060.74	165,098.70	141,930.63	135,161.46	1,863,889.14
01100	1115	6190		Chemicals	12,632.74	18,477.22	9,603.92	19,920.14	7,814.08	9,522.13	21,749.29	5,483.53	13,238.05	5,329.92	17,172.51	13,464.93	154,408.46
Total Business Unit 1115																	
Total 01100																	
Grand Total					757,763.77	727,311.77	838,340.23	829,723.00	894,271.87	895,124.48	903,214.67	919,056.34	858,297.13	873,930.11	842,313.48	768,077.27	10,107,424.21
AF Pumped per production report					350.31	346.82	390.61	384.43	405.65	395.25	441.99	426.74	411.34	401.70	345.33	328.86	4,629.03
AF purchased per production report					368.89	347.41	411.38	403.01	447.39	447.50	473.03	485.65	424.76	401.25	378.22	374.80	4,963.29
TOTAL AF					719.20	694.23	801.99	787.44	853.04	842.75	915.02	912.39	836.10	802.95	723.55	703.66	9,592.32
Blended Cost/AF					1,053.62	1,047.65	1,045.33	1,053.70	1,048.34	1,062.15	987.10	1,007.31	1,026.55	1,088.40	1,164.14	1,091.55	1,053.70
Sativa reading (AF)					40	37	41	41	42	42	46	44	43	41	38	37	492
Sativa Costs					42,144.81	38,763.14	42,858.33	43,201.57	44,030.08	44,610.18	45,406.52	44,321.48	44,141.58	44,624.37	44,237.32	40,387.20	518,726.59
Sativa Revenues																	
Total Billed to Sativa					(72,000.00)	(66,600.00)	(73,800.00)	(81,180.00)	(68,220.00)	(75,600.00)	(82,800.00)	(86,760.00)	(69,840.00)	(115,800.00)	(114,000.00)	(116,400.00)	(1,023,000.00)
Total Revenues					(72,000.00)	(66,600.00)	(73,800.00)	(81,180.00)	(68,220.00)	(75,600.00)	(82,800.00)	(86,760.00)	(69,840.00)	(115,800.00)	(114,000.00)	(116,400.00)	(1,023,000.00)
Net					(29,855.19)	(27,836.86)	(30,941.67)	(37,978.43)	(24,189.92)	(30,989.82)	(37,393.48)	(42,438.52)	(25,698.42)	(71,175.63)	(69,762.68)	(76,012.80)	(504,273.41)
Shareholders					0.7												
Ratepayers					0.3												
Shareholders					(20,898.63)	(19,485.80)	(21,659.17)	(26,584.90)	(16,932.94)	(21,692.88)	(26,175.44)	(29,706.96)	(17,988.89)	(49,822.94)	(48,833.88)	(53,208.96)	(352,991.39)
Ratepayers					(8,956.56)	(8,351.06)	(9,282.50)	(11,393.53)	(7,256.97)	(9,296.95)	(11,218.04)	(12,731.55)	(7,709.53)	(21,352.69)	(20,928.80)	(22,803.84)	(151,282.02)
Shareholders					(29,855.19)	(27,836.86)	(30,941.67)	(37,978.43)	(24,189.92)	(30,989.82)	(37,393.48)	(42,438.52)	(25,698.42)	(71,175.63)	(69,762.68)	(76,012.80)	(504,273.41)

Attachment 1-14:

**A.23-01-001, Suburban's Response to
Cal Advocates Data Request CR8-009, Q.1**



**Suburban
Water Systems**

1325 N. Grand Avenue
Suite 100
Covina, CA 91724-4044
Phone: 626.543.2500
Fax: 626.331.4848
www.swwc.com/suburban

May 25, 2023

To: Suliman Ibrahim
Project Coordinator

Chris Ronco
Regulatory Analyst

Shanna Foley
Attorney for Public Advocates Office

Re.: Response to A.23-01-001, Public Advocates Office DR CR8-009 (Sativa
Purchased Water)

Dear Mr. Ibrahim et al.,

Attached is the information you requested in writing for Suburban's Total Company
General Rate Case.

Sincerely,

/s/Carmelitha Bordelon

Carmelitha Bordelon
Director of Regulatory Affairs

Response to A.23-01-001, Public Advocates Office
DR CR8-009 (Sativa Purchased Water)

1. 1. Provide in Excel format the amount of monthly purchased water used to supply Sativa, going back to the month of Sativa's acquisition to the present. Include the following information: 1) the source of the purchased water associated with each amount; 2) the amount of purchased water by month, broken down by supplier; 3) the price for purchased water per acre-foot; 4) the amount Suburban has paid for each amount of purchased water by month, broken down by supplier.

Response:

Please see file entitled "DR CR8-009 Response #1 – Sativa.xlsx"

- a. For each month, provide the relevant invoice showing the amount Suburban has paid for purchased water to supply the Sativa system.

Response:

Please see file entitled "DR CR8-009 Response #1.a. – Invoices.pdf"

- b. Provide the balance recorded in a balancing or memorandum account, and account statement showing all recorded expenses, associated with purchased water for the Sativa system (if any).

Response:

With respect to WRD, Suburban has not recorded any amounts in a balancing or memorandum account associated with purchased water for the Sativa system.

Other than WRD, Suburban has not been authorized a balancing or memorandum account associated with purchased water for the Sativa system.

2. In reference to the roughly 1,600 service connections in the Sativa water system, does Suburban foresee a need to obtain any additional sources of water to meet the increase in demand from the system's acquisition?

Response:

Currently, Suburban does not foresee a need to obtain any additional sources of water to meet Sativa's customers demand.

- a. If yes, what are possible sources Suburban is considering?

Response:

Not applicable.

Response to DR CR8-009 question #1
Monthly Purchased Water for Sativa system

Line No.	Total	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	
1	<u>City of Compton</u>							
2	Purchased Water (Acre Feet)	2.92	1.81	1.04	-	0.07	-	
3	Total charge for the month	\$8,213.52	\$5,339.46	\$1,469.83	\$432.70	\$538.83	\$432.70	
4	Cost/AF	\$2,810.53						
5	Payments to City of Compton				(\$6,809.29)	(\$432.70)	(\$538.83)	(\$432.70)
6	<u>Liberty Utilities</u>							
7	Purchased Water (Acre Feet)	148.00	9.00	35.00	34.00	36.00	34.00	
8	Total charge for the month	\$532,800.00	\$32,400.00	\$126,000.00	\$122,400.00	\$129,600.00	\$122,400.00	
9	Cost/AF	\$3,600.00						
10	Payments to Liberty Utilities			(\$32,400.00)	(\$126,000.00)	(\$122,400.00)	(\$129,600.00)	(\$122,400.00)
11	<u>WRD</u>							
12	Purchased Water (Acre Feet)	0.50	0.14	0.06	0.23	0.07		
13	Total charge for the month	\$205.50	\$57.54	\$24.66	\$94.53	\$28.77		
14	Cost/AF	\$411.00						
15	Payments to WRD				(\$57.54)	(\$24.66)	(\$94.53)	(\$28.77)

Attachment 1-15:

Liberty's Response to Cal Advocates Data Request 027-CR, no data on the Suburban Revenue Memorandum Account was provided, despite being requested in Attachment 2

Recorded Annual Revenue	Cumulative Total
2015	
2016	\$ -
2017	\$ -
2018	\$ -
2019	\$ -
2020	\$ -
2021	\$ -
2022	\$ -
2023	\$ -

Account Total	
30-Sep-23	31-Dec-23
\$	-

Attachment 1-16:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q5b 02-CR Park NTPS 2018-2023

5)

b) Park

Year	HomeServe		City of Bell Gardens		Sativa Water System	
	Total Revenue	Ratepayer Share	Total Revenue	Ratepayer Share	Total Revenue	Ratepayer Share
2018	50,547	11,671	390,240	108,775	-	-
2019	45,528	4,553	371,717	128,399	-	-
2020	49,209	4,921	448,653	130,825	-	-
2021	51,929	15,579	349,024	124,902	919,800	121,054
2022	52,538	15,761	465,071	136,507	1,023,000	152,193
2023	45,406	13,622	529,905	142,991	571,320	138,160

Attachment 2-1:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q1a 027-CR Fixed Costs



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

March 25, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 020-CR (CAP)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Chris Ronco Chris.Ronco@cpuc.ca.gov
Date Received: March 15, 2024
Due Date: March 22, 2024
Extension Granted: March 28, 2024

Note: References are for A.24-01-002 (Park) Application and accompanying exhibits.

REQUEST NO. 1:

The following refers to Subsection 2 of the Section on Low Income-Assistance Program in Exhibit B “Revenue Requirement Reports,” for both Liberty AVR and Park.

- a) For AVR, the report states the “Customer Assistance Program (“CAP”) is funded by a surcharge, currently \$3.90 per month, applicable to all non-eligible customers.” Is Park’s CAP program also funded by a \$3.90 per month surcharge on non-eligible customers? If not, what is the per month surcharge for Park non-eligible customers?
- b) For both AVR and Park, Liberty is proposing to increase the \$10.00 per month surcredit for CAP customers by the authorized increase to rates in this proceeding. Please provide the following in excel format. Be sure to include all calculations that support the result:

- i) What Liberty's requested increase for Park and AVR's CAP surcredit would be if the proposed revenue increase is approved in this application.
- ii) The surcharge on non-CAP customers for Park and AVR to support this increase to the surcredit.

RESPONSE:

- a) No. Liberty Park's CAP program is funded by a surcharge of \$7.23 per month on non-eligible customers as indicated on page 24 of Exhibit B Park Revenue Requirement Report.
- b) If Liberty's requested increases were approved, Liberty requests a monthly discount rate of \$11.01 and surcharge rate of \$5.09 for Liberty AV and a monthly discount rate of \$12.21 and surcharge rate \$6.63 for Liberty Park. The monthly surcharge rates were developed using estimated 2023 CAP and non-CAP customers and CAP balancing account balances. Liberty will provide updated monthly discount and surcharge rates once actual 2023 data is available.

Please see the attachments with preface Q1 for the development of monthly discount and surcharge rates for Liberty AV and Liberty Park.

REQUEST NO. 2:

The reports state "Liberty provides additional measure to assist customer who are struggling to pay their water bills, including extending bill arrearage payment arrangements and implementing Operation Round Up, which is a charitable program that is offered by many utility and electric companies across the country."

- a) Is AVR currently offering Operation Round Up to customers? If yes, please answer the following questions (except for question 2(a)(iii). If no, please write "not applicable" for questions 2(a)(i) and 2(a)(ii) and answer question 2(a)(iii):
 - i) How do customers choose to round up their bill?
 - (1) How do customers choose to stop rounding up their bill if they wish to do so?
 - ii) How do customers enroll in the program to receive the aid?
 - (1) How is AVR redistributing the rounded up bill amounts to enrolled customers?
 - iii) Does AVR plan to offer Operation Round Up to customers? If so, please provide a detailed timeline for implementation, including how customers will enroll for

rounding up their bills and how customers will receive the aid.

b) Is Park currently offering Operation Round Up to customers? If yes, please answer the following questions except for question 2(b)(iii). If no, please write "not applicable" for questions 2(b)(i) and 2(b)(ii) and answer question 2(b)(iii):

i) How do customers choose to round up their bill?

(1) How do customers choose to stop rounding up their bill if they wish to do so?

ii) How do customers enroll in the program to receive the aid?

(1) How is Park redistributing the rounded up bill amounts to enrolled customers?

iii) Does Park plan to offer Operation Round Up to customers? If so, please provide a detailed timeline for implementation, including how customers will enroll for rounding up their bills and how customers will receive the aid.

c) If either or both of Park and AVR are currently offering the Operation Round Program, please complete the below table of data, in Excel format.

	Park			AVR		
Year	# of customers rounding up	# of customers receiving aid	Total amount rounded up	# of customers rounding up	# of customers receiving aid	Total amount rounded up
2023	XXX	XXX	\$XX.XX	XXX	XXX	\$XX.XX
2022	XXX	XXX	\$XX.XX	XXX	XXX	\$XX.XX
...	XXX	XXX	\$XX.XX	XXX	XXX	\$XX.XX

RESPONSE:

The testimony regarding Operation Round Up on page 23 of Exhibits B AVR Revenue

Requirement Report and Park Revenue Requirement Report is an error. Liberty does not offer this program. Liberty will file errata to have this corrected during the course of this proceeding.

This completes the response to Data Request No. 020-CR. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Liberty Apple Valley

	2025	File	Tab	Cell
Total Operating Expenses	23,971,153	AV25 SOE	SOE25	E56
Less: Production Related Expenses	1,822,922	AV25 SOE	SOE25	E18:E21
Uncollectibles	243,484	AV25 SOE	SOE25	E24
Franchise Requirements	316,863	AV25 SOE	SOE25	E36
CA Income Taxes	689,303	AV25 SOE	SOE25	E53
Federal Income Taxes	<u>1,316,722</u>	AV25 SOE	SOE25	E54
	4,389,294			
Subtotal	19,581,859			
Net-To-Gross Multiplier	1.44967	AV25 Net to gross multiplier	Sheet1	F16
Total Fixed Costs	28,387,234			

Liberty Apple Valley

	2025	File	Tab	Cell
Total Operating Expenses	38,840,194	PW25 SOE	SOE25	E54
Less: Production Related Expenses	13,268,278	PW25 SOE	SOE25	E15:E20
Uncollectibles	430,124	PW25 SOE	SOE25	E23
Franchise Requirements	199,700	PW25 SOE	SOE25	E35
CA Income Taxes	1,092,946	PW25 SOE	SOE25	E51
Federal Income Taxes	2,314,627	PW25 SOE	SOE25	E52
	17,305,675			
Subtotal	21,534,519			
Net-To-Gross Multiplier	1.44306	PW25 Net to gross multiplier	Sheet1	F16
Total Fixed Costs	31,075,603			

Attachment 2-2:
Liberty's Response to Cal Advocates
Data Request 020-CR,
Q1 020-CR AV CAP
Discount Surcharge Calc

Liberty Apple Valley
 Development of Discount and Surcharge Rates

Year	CAP Customers	Total Customers*	% CAP	% Non-CAP	Discount (\$)
2020	3,528	20,615	17%	83%	
2021	5,843	20,755	28%	72%	
2022	5,731	20,859	27%	73%	
2023-11	6,231	20,950	30%	70%	
			28%	70%	
2025-2026	6,028	21,277		15,249	\$ 796,773
2026-2027	6,063	21,400		15,337	\$ 801,379
2027-2028	6,098	21,522		15,424	\$ 805,947
				15,336	
					<u>407,636</u>
					\$ 2,811,734
				36	\$5.09

Attachment 2-3:

Liberty's Response to Cal Advocates

Data Request 020-CR,

Q1 020-CR PW CAP

Discount Surcharge Calc

Liberty Park Water
 Development of Discount and Surcharge Rates

Year	CAP Customers	Total Customers*	% CAP	% Non-CAP	Discount (\$)
2020	11,371	28,149	40%	60%	
2021	11,936	28,093	42%	58%	
2022	12,599	28,129	45%	55%	
2023-11	12,341	28,118	44%	56%	
			44%	56%	
2025-2026	12,357	28,299		15,942	\$ 1,810,285
2026-2027	12,383	28,357		15,974	\$ 1,813,995
2027-2028	12,408	28,415		16,007	\$ 1,817,705
				15,974	
					<u>(1,630,176)</u>
					\$ 3,811,809
				36	\$6.63

Attachment 2-4:
Liberty Apple Valley and Park Semi
Annual Reports on Balancing Accounts
for December 31, 2023

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Action Letter	Balance as of End of June 30, 2014.	Balance as of End of December 2014.	Balance as of End of June 30, 2015.	Balance as of End of June 30, 2017.	Balance as of End of December 31, 2017.	Balance as of End of June 30, 2018.	Balance as of End of December 31, 2018.	Balance as of End of June 30, 2019.	Balance as of End of December 31, 2019.	Balance as of End of June 30, 2020.	Balance as of End of December 31, 2020.	Balance as of End of June 30, 2021.	Balance as of End of December 31, 2021.	Balance as of End of June 30, 2022.	Balance as of End of December 31, 2022.	Balance as of End of June 30, 2023.	Balance as of End of December 31, 2023.	Most Recent Conducted Review/audit.	Notes or Comments	
Liberty LRRIAs Apple Valley Ranchos Water Corp.	Total Number of Connections per 2022 Annual Report is 21,065																						
Domestic Service	2012 & Prior WRAM/MCBA			(\$1,317,536.00)	\$0.00	\$0.00															AL 183-W	Balance is fully amortized as of December 2014.	
	2013 WRAM/MCBA			(\$1,793,956.00)	(\$1,603,144.45)	(\$1,178,767.43)	\$0.00														AL 190-W-A	AL 190-W-A authorized an 18-month temporary surcharge, effective July 2, 2014. Balance is fully amortized.	
	2014 WRAM/MCBA			(\$765,279.00)	(\$2,091,841.00)	(\$2,061,996.32)	(\$913,302.12)	(\$767,158.95)	(\$670,428.70)	(\$321,664.44)	(\$105,529.31)	\$0.00	\$0.00								AL 196-W-A	AL 196-W-A authorized an 18-month temporary surcharge, effective June 24, 2015. Using FIFO, the balance was fully amortized in 2020.	
	2015 WRAM/MCBA			N/A	N/A	(\$1,708,812.00)	(\$111,834.44)	(\$112,534.29)	(\$113,077.34)	(\$114,889.15)	(\$116,300.48)	\$0.00	\$0.00								AL 217-W	AL 217-W authorized a 12-month temporary surcharge, effective May 1, 2016. Using FIFO, the balance was fully amortized in 2019.	
	2016 WRAM/MCBA			N/A	N/A	N/A	(\$245,620.03)	(\$246,990.26)	(\$240,279.56)	(\$252,141.38)	(\$255,256.31)	(\$173,824.54)	(\$173,492.30)	(\$173,601.67)	(\$173,662.44)	(\$173,727.57)	(\$174,308.87)	\$0.00			AL 223-W-A	AL 223-W-A authorized a 12-month temporary surcharge, effective May 1, 2017.	
	2017 WRAM/MCBA						(\$477,125.00)	(\$242,137.00)	(\$244,372.56)	(\$247,177.82)	(\$250,231.67)	(\$251,303.42)	(\$252,566.98)	(\$252,724.48)	(\$252,812.94)	(\$252,907.76)	(\$253,794.00)	(\$20,962.51)			AL 228-W	AL 228-W authorized a 17-month temporary surcharge, effective May 22, 2018.	
	2018 WRAM/MCBA	Tracks water revenues and water production related costs for future disposition	D 08.09.026 effective September 18, 2008 and D.12.04.048 effective April 19, 2012				N/A	N/A	\$862,777.97	\$487,072.00	\$493,089.67	\$497,763.57	(\$57,052.57)	(\$57,088.24)	(\$56,865.41)	(\$56,886.74)	(\$57,077.09)				AL 234-W-A	Effective March 1, 2020, Advice Letter 234-W-A approved a one-time surcredit to refund the new collector in the WRAM and MCBA as of December 31, 2018.	
	2019 WRAM/MCBA						N/A	N/A	N/A	N/A	(\$471,161.00)	(\$203,697.00)	(\$204,720.87)	(\$360,804.73)	(\$360,759.08)	(\$360,804.39)	(\$362,301.95)	(\$368,206.04)	(\$317,609.69)	(\$56,798.60)	AL 257-W	Effective June 10, 2022, Advice Letter 257-W approved a 12-month surcharge to recover the 2019 and prior WRAM and MCBA balances.	
	2020 WRAM/MCBA										(\$134,250.00)	\$115,824.00	\$120,233.57	(\$7,493.57)	(\$3,921.64)	\$0.00	\$1,455.75	(\$2,701.32)			AL 252-W-A	AL 252-W-A approved a one-time surcredit, effective November 15, 2021.	
	2021 WRAM/MCBA																				AL 262-W	AL 262-W approved a one-time surcredit, effective May 1, 2022.	
	2022 WRAM/MCBA																				AL 270-W-A	AL 270-W-A approved a one-time surcredit, effective April 7, 2023.	
	Incremental Cost BA	Tracks water production costs for the domestic systems, including purchased power and pump tax	D 03.06.072, June 19, 2003	(\$77,133.00)	(\$78,939.54)	(\$78,986.26)	(\$79,672.29)	(\$81,170.87)	(\$82,013.95)	(\$81,842.80)	(\$82,853.95)	(\$83,639.31)	(\$84,059.72)	(\$84,112.27)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	A 18-01-002, D 20-09-2019	AL 248-W authorized transfer balance to CEBA for a 12-month temporary surcharge, effective March 4, 2021.	
	CARW Revenue Reallocation BA	Tracks recorded discounts and surcharges	D 05.13.030, December 15, 2005/D 08.09.026, September 18, 2008/D 12.09.004, September 13, 2012/D 15.11.030, November 29, 2015	(\$583,743.00)	(\$715,291.52)	(\$824,858.70)	(\$877,100.50)	(\$1,000,358.43)	(\$1,111,141.89)	(\$1,215,708.04)	(\$1,303,541.26)	(\$1,378,024.20)	(\$1,458,222.70)	(\$1,517,479.82)	(\$1,521,395.06)	(\$881,090.89)	(\$471,728.82)	(\$481,106.30)	(\$360,728.04)	(\$501,108.87)		A 21-07-003, D 23-02-003	AL 269-W-A authorized the under-collected balance recorded through December 31, 2021 be embedded in the surcharge rate for Schedule No. CAP 5C, effective April 7, 2023.
	Office Remodel BA	Tracks the revenue requirement associated with the building project, a reconfigured office building or other improvements	D 12.09.004, September 13, 2012	(\$32,220.00)	(\$35,430.74)	(\$35,430.74)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
	Employee and Retiree Healthcare BA	Tracks the difference between the actual forecast and the authorized costs of employee and retiree healthcare expense	D 12.09.004, September 13, 2012/D 15.11.030, November 29, 2015	\$471,521.00	\$649,669.71	\$742,293.49	\$840,401.61	\$975,360.57	\$112,067.10	\$495,051.14	\$492,413.16	\$604,832.57	\$615,731.06	\$611,243.08	\$1,061,794.05	\$297,836.01	\$769.33	\$882.04	\$907.20	\$911.66		A 18-01-002, D 20-09-2019	AL 248-W authorized a 12-month temporary surcredit, effective March 4, 2021.
	Pension Expense BA	Tracks the difference between actual and authorized pension expense	D 12.09.004, September 13, 2012/D 15.11.030, November 29, 2015	\$25,704.00	\$28,973.88	(\$1,130.69)	\$717,406.65	\$948,967.91	\$944,319.70	\$1,187,116.15	\$1,504,593.11	\$1,734,099.32	\$1,797,365.60	(\$915,970.40)	(\$1,521,715.70)	(\$2,528,846.67)	(\$3,021,422.84)	(\$3,204,741.31)	(\$2,780,404.73)	(\$2,398,868.28)		A 21-07-003, D 23-02-003	AL 275-W-A authorized a 36-month temporary surcharge, with balance recorded through Dec 31, 2021, effective Sept 1, 2023.
	One-Way Conservation BA	Tracks the difference between actual and authorized conservation program expenses.	D 12.09.004, September 13, 2012/D 15.11.030, November 29, 2015	\$124,099.00	\$0.00	\$13,295.02	\$35,774.10	(\$8,756.98)	(\$8,756.98)	(\$8,756.98)	(\$8,756.98)	(\$8,756.98)	(\$8,756.98)	\$293,572.65	\$356,669.92	\$333,616.77	\$296,888.53	\$330,981.33	\$294,622.61	\$9,362.86		A 21-07-003, D 23-02-003	AL 275-W-A authorized a one-time temporary surcredit, with balance recorded through June 30, 2022, effective Sept 1, 2023.
	Consolidated Expense Balancing Account (CEBA)	Consolidates the amortization of Commission approved balancing accounts and memorandum accounts where appropriate	D 20.09.2019												(\$81,493.51)	(\$129,390.87)	\$83,511.13	\$84,508.28	\$86,825.23	\$88,961.05		A 18-01-002, D 20-09-2019	AL 248-W authorized a 12-month temporary surcharge, effective March 4, 2021.
	Incremental Cost Balancing Account (ICBA)																					AL 269-W-A authorized the establishment of this account, effective July 1, 2022. This account tracks the water supply related costs for the domestic system, including purchased power, replenishment, and chemical.	

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Administrative Action	Balance as of End of June 30, 2024.	Balance as of End of December 2024.	Balance as of End of June 30, 2025.	Balance as of End of June 30, 2025.	Balance as of End of June 30, 2025.	Balance as of End of December 31, 2025.	Balance as of End of June 30, 2026.	Balance as of End of December 31, 2026.	Balance as of End of June 30, 2027.	Balance as of End of December 31, 2027.	Balance as of End of June 30, 2028.	Balance as of End of December 31, 2028.	Balance as of End of June 30, 2029.	Balance as of End of December 31, 2029.	Balance as of End of June 30, 2030.	Balance as of End of December 31, 2030.	Balance as of End of June 30, 2031.	Balance as of End of December 31, 2031.	Most Recent Conducted Review/audit.	Notes or Comments	
Yermo	Yermo Water Revenue Balancing Account	Tracks the difference between actual and authorized revenue requirement for the 2020-2023 rate cycle.	D. 20-09-019, September 24, 2020																					AL 275-W-A authorized a 36-month temporary surcharge, with balance recorded through June 30, 2022, effective Sept 1, 2023. A. 21-07-003, D. 23-02-003
Irrigation Service	Incremental Cost BA	Tracks gravity irrigation incremental costs	D. 03.006.072/ AL 183 effective April 26, 2013	(\$4,277.00)	\$5,362.05	(\$8,038.77)	(\$38,254.00)	(\$40,970.27)	(\$52,297.25)	(\$57,074.35)	(\$62,110.40)	(\$66,342.17)	(\$71,051.63)	(\$74,253.32)	(\$62,358.15)	(\$50,562.50)	(\$28,155.32)	(\$32,366.28)	(\$38,693.54)	(\$285,102.47)				AL 248-W authorized a 12-month temporary surcharge, effective March 4, 2021. A. 18-01-002, D. 20-09-2019
				(\$3,892,820.00)	(\$3,821,441.61)	(\$5,150,432.40)	(\$1,649,325.88)	(\$1,174,788.99)	(\$3,080,303.46)	(\$368,007.47)	(\$165,645.31)	\$683,087.84	(\$1,132.69)	(\$2,627,932.58)	(\$2,307,014.76)	(\$1,677,098.25)	(\$4,179,692.50)	(\$4,247,329.86)	(\$3,481,767.47)	(\$4,730,081.55)				
	Authorized Revenue Requirement-Domestic & Yermo		D. 15. 11.030	\$23,907,075.00	\$23,907,075.00		\$24,135,800	\$24,135,800	\$24,135,800	\$23,170,000	\$23,170,000	\$22,652,947	\$22,652,947	\$23,740,760		\$25,888,383	\$25,888,383	\$25,888,383	\$27,408,700	\$29,315,001				AL 273-W authorized 2023 revenue requirement for the Escalation Year 2023, effective July 1, 2023.
	Authorized Revenue Requirement-Irrigation		D. 15. 11.030	\$224,313.00	\$224,313.00		\$217,650	\$217,650	\$217,650	\$213,600	\$213,600	\$212,947	\$212,947	\$201,460		\$202,540	\$202,540	\$201,540	\$275,800	\$298,690				D. 23-03-003

A positive balance reflects an overcollection. A negative balance reflects an under-collection.

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution - Advice Letter	Balance as of End of June 30, 2014*	Balance as of End of December 2014*	Balance as of End of June 30, 2015*	Balance as of End of December 31, 2015*	Balance as of End of June 30, 2016*	Balance as of End of December 31, 2016*	Balance as of End of June 30, 2017*	Balance as of End of December 31, 2017*	Balance as of End of June 30, 2018*	Balance as of End of December 31, 2018*	Balance as of End of June 30, 2019*	Balance as of End of December 31, 2019*	Balance as of End of June 30, 2020*	Balance as of End of December 31, 2020*	Balance as of End of June 30, 2021*	Balance as of End of December 31, 2021*	Balance as of End of June 30, 2022*	Balance as of End of December 31, 2022*	Balance as of End of June 30, 2023*	Balance as of End of December 31, 2023*	Most Recent Conducted Financial Audit (either GBC or other method)	Notes or Comments	
Liberty Utilities Park Water Corp.	Total number of connections per 2022 Annual Report is 28,311																									
	2012 & Prior WRAM/MCSA			(\$1,346,214.00)	(\$257,149.62)	\$0.00	\$0.00	\$0.00																	AL 251-W-A	
	2013 WRAM/MCSA			(\$731,735.00)	(\$732,116.57)	(\$494,008.22)	\$0.00	\$0.00																	AL 251-W-A	
	2014 WRAM/MCSA			(\$287,812.00)	(\$864,097.17)	(\$866,395.69)	(\$875,318.82)	(\$462,332)	\$0	\$0															AL 259-W-A	
	2015 WRAM/MCSA			N/A	N/A	(\$1,119,469.80)	(\$3,162,392.06)	(\$3,169,876)	(\$2,688,808)	(\$1,636,752)	(\$842,603)	(\$642,943.74)	(\$51,635.15)												AL 268-W	
	2016 WRAM/MCSA			N/A	N/A	N/A	N/A	(\$1,808,097.71)	(\$3,206,212.69)	(\$3,217,619.92)	(\$3,237,715.29)	(\$3,267,765.39)	(\$2,751,519.99)	(\$1,919,990.67)	(\$804,155.85)										AL 275-W	
	2017 WRAM/MCSA	Tracks water revenue and water production related costs for future disposition	D-08-03-036 effective February 28, 2008 and D-12-04-048 effective April 19, 2012					N/A	N/A	(\$2,006,450.00)	(\$3,497,275.39)	(\$3,529,743.84)	(\$3,570,263.44)	(\$3,614,373.26)	(\$3,672,191.51)	(\$3,529,485.67)	(\$2,385,216.11)	(\$1,265,522.29)	(\$201,047.30)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	AL 282-W
	2018 WRAM/MCSA							N/A	N/A	N/A	N/A	(\$1,138,960.80)	(\$1,265,228.88)	(\$1,280,860.50)	(\$1,296,743.01)	(\$1,303,261.03)	(\$1,304,075.78)	(\$1,304,532.28)	(\$1,305,021.55)	(\$446,028.58)	\$0.00	\$0.00	\$0.00	\$0.00	AL 289-W	
	2019 WRAM/MCSA												(\$880,879.01)	(\$641,556.40)	(\$644,781.22)	(\$553,071.74)	(\$553,265.35)	(\$553,472.85)	(\$555,251.80)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	AL 306-W-B	
	2020 WRAM/MCSA			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0.00	\$0.00	(\$1,640,078.15)	(\$2,524,284.01)	(\$768,604.79)	(\$768,893.06)	(\$771,465.79)	(\$569,902.20)	(\$166,900.36)	\$0.00	\$0.00	AL 313-W	
	2021 WRAM/MCSA																	(\$122,950.88)	(\$841,178.35)	(\$1,049,909.64)	(\$1,067,608.37)	(\$1,093,951.43)	(\$484,471.29)	\$0.00	AL 322-W	
	2022 WRAM/MCSA			N/A	N/A	N/A														(\$82,324.59)	(\$876,461.13)	(\$886,082.37)	(\$909,975.33)	\$0.00	AL 332-W-A	
	Recycled Water- Incremental Cost BA	Tracks recycled water incremental costs	AL 230-W, effective May 1, 2012	(\$958.00)	(\$958.38)	(\$958.81)	(\$959.82)	(\$962.11)	(\$954.91)	(\$959.36)	(\$965.36)	(\$974.31)	(\$985.49)	(\$997.67)	(\$1,007.13)	(\$1,012.19)	(\$1,012.82)	\$0.00	(\$16,722.49)	(\$24,678.84)	(\$35,717.34)	(\$25,785.37)	(\$26,443.05)	\$0.00	AL 309-W authorized transfer balance to CSBA for a 12-month temporary surcharge, effective March 4, 2021.	
	CAIW Revenue Reallocation BA	Tracks recorded discounts and surcharges	D-16-01-009, January 14, 2016	(\$562,587.00)	(\$526,140.51)	(\$499,469.58)	(\$492,649.67)	(\$130,307.82)	\$383,439.79	\$597,041.23	\$809,072.27	\$1,104,399.58	\$1,607,153.08	\$2,196,394.02	\$2,836,649.16	\$3,043,823.18	\$3,149,656.56	\$2,893,793.77	\$2,506,983.56	\$2,154,169.76	\$1,809,671.40	\$1,660,017.65	\$1,630,832.67	\$0.00	AL 331-W-A authorized the over-allocated balance recorded through December 31, 2021 be embedded in the surcharge rate for Schedule No. CAP-C, effective April 7, 2023.	
	One-Way Conservation BA	Tracks the difference between actual and authorized, conservation program expenses	D-16-01-009, January 14, 2016	\$68,035.72	\$150,021.67	\$166,627.78	\$97,622.78	\$159,939.69	\$169,990.29	\$322,590.99	\$304,299.47	\$214,753.94	\$334,574.46	\$334,574.46	\$334,574.46	\$343,644.33	\$505,745.93	\$953,875.68	\$610,868.77	\$360,762.67	\$418,549.64	\$348,729.04	\$17,357.72	\$0.00	AL 337-W-A authorized a one-time temporary surcharge, with balance recorded June 30, 2021, effective Sept 1, 2023.	
	Group Pension Expense BA	Tracks the difference between adopted and actual pension expense	D-16-01-009, January 14, 2016	N/A	N/A	N/A	N/A	(\$79,438.18)	\$728,475.37	\$1,140,817.07	\$1,706,828.60	\$1,900,516.85	\$2,527,425.28	\$3,156,684.29	\$3,671,968.87	\$3,969,114.49	(\$296,866.84)	(\$1,092,722.34)	(\$2,683,447.91)	(\$3,396,148.82)	(\$3,640,797.80)	(\$3,243,485.33)	(\$2,987,823.65)	\$0.00	AL 337-W-A authorized a 16-month temporary surcharge, with balance recorded through June 30, 2021, effective Sept 1, 2023.	
	Consolidated Expense Balancing Account (CSBA)	Consolidates the amortization of Commission approved balancing accounts and memorandum accounts where appropriate	AL 206-W-A, May 26, 2016	N/A	N/A	N/A	N/A	(\$119,721.28)	(\$64,732.17)	(\$20,261.68)	(\$18,641.59)	(\$18,874.98)	(\$19,092.83)	(\$19,319.02)	(\$19,511.98)	(\$19,610.10)	(\$19,622.36)	(\$374,647.20)	(\$109,046.47)	\$10,168.88	\$10,304.73	\$10,558.99	\$10,843.71	\$0.00	AL 309-W authorized a 12-month temporary surcharge, effective March 4, 2021.	
	Incremental Cost Balancing Account (CSBA)																								AL 331-W-A authorized the establishment of this account, effective July 1, 2022. This account tracks the water supply related costs for the domestic (potable water) system, includes purchased water, purchased power, replacement, and chemicals.	
	Authorized Revenue Requirement		D-15-01-009, January 14, 2016	(\$2,861,270.28)	(\$2,330,440.58)	(\$2,813,674.32)	(\$4,433,637.59)	(\$5,610,787.04)	(\$4,678,802.42)	(\$5,049,593.56)	(\$4,777,039.96)	(\$5,379,592.69)	(\$3,189,573.06)	(\$2,028,777.36)	\$498,026.55	\$218,353.64	(\$3,328,747.17)	(\$1,690,455.78)	(\$1,354,977.65)	(\$4,580,706.81)	(\$3,952,361.07)	(\$3,395,899.18)	(\$3,448,577.30)	\$0.00	\$0.00	AL 335-W authorized revenue requirements for escalation year 2023, effective July 1, 2023.

A positive balance reflects an overcollection. A negative balance reflects an undercollection.

Attachment 3-1:
Answer of Responded to
Petitions for Writ of Review

IN THE SUPREME COURT OF THE STATE OF CALIFORNIA

Golden State Water Company
Petitioner,

v.

Public Utilities Commission of the
State of California,
Respondent,

California-American Water
Company, California Water Service
Company, California Water
Association, and Liberty Utilities
Corp,
Petitioners,

v.

Public Utilities Commission of the
State of California,
Respondent.

Case No. S269099

Commission Decisions
20-08-047 and 21-09-047

Case No. S271493

Commission Decisions
20-08-047 and 21-09-047

**ANSWER OF RESPONDENT
TO PETITIONS FOR WRIT OF REVIEW**

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January 28, 2022

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IN THE SUPREME COURT OF THE STATE OF CALIFORNIA

Golden State Water Company
Petitioner,

v.

Public Utilities Commission of the
State of California,
Respondent,

Case No. S269099

Commission Decisions
20-08-047 and 21-09-047

California-American Water
Company, California Water Service
Company, California Water
Association, and Liberty Utilities
Corp,
Petitioners,

v.

Public Utilities Commission of the
State of California,
Respondent.

Case No. S271493

Commission Decisions
20-08-047 and 21-09-047

**ANSWER OF RESPONDENT
TO PETITIONS FOR WRIT OF REVIEW**

**TO THE HONORABLE PRESIDING JUSTICE TANI
GORRE CANTIL-SAKAUYE & ASSOCIATE JUSTICES OF
THE SUPREME COURT OF THE STATE OF CALIFORNIA:**

Pursuant to Rule 8.724 of the California Rules of Court,
Respondent, the California Public Utilities Commission

(Commission), respectfully submits its answer to the amended petition for writ of review (petition) filed by Golden State Water Company, in Case No. S269099, and the petitions filed by California-American Water Company, California Water Service Company, California Water Association, and Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp. (together, Liberty), in Case No. S271493, (both cases jointly, Petitioners) challenging Commission Decisions (D.) 20-08-047 (Decision) and 21-09-047 (Rehearing Decision).¹ The Commission denies that any writ should be issued.

I. STATEMENT OF THE CASE

In this case, Petitioners, certain Class A water utilities,² challenge a Commission policy determination reached after a quasi-legislative proceeding. The Commission determined that a pilot program balancing account mechanism, applied to certain Class A water utilities, is not serving its purpose and should be discontinued.³ Without basis, Petitioners contend that they were denied due process and that the underlying proceeding had procedural deficiencies.

¹ Unless otherwise noted, citations to Commission decisions issued since July 1, 2000 are to the official pdf versions, which are available on the Commission's website at: <http://docs.cpuc.ca.gov/DecisionsSearchForm.aspx>.

A copy of D.20-08-047 and D.21-09-047 can be found in Golden State's Exhibit K at pp.275-387 and Exhibit EE at pp. 494-528, respectively.

² Class A water utilities are those water utilities with more than 10,000 service connections.

³ The Commission regulates more than 100 investor-owned water utilities. Five of the nine Class A water utilities were authorized to implement this accounting mechanism.

Petitioners' arguments misconstrue the nature of the Commission proceeding, which is a rulemaking as opposed to a ratesetting proceeding. They also mischaracterize their own failure to offer evidence, or otherwise participate in review of the accounting mechanism issue, as a due process failing on the part of the Commission. In fact, it was Petitioners' own decision not to provide substantive input after the September 2019 ALJ Ruling invited parties to do so, that brings us to this Court.

Petitioners fail to demonstrate any error in the Commission's conduct or holding, or any other basis, for this Court to grant review of the Decisions at issue.

II. INTRODUCTION AND BACKGROUND

This case stems from a rulemaking proceeding categorized as quasi-legislative in nature. In its legislative capacity, the Commission made a policy decision to conclude its pilot program of promoting conservation by decoupling water sales from water revenues. In doing so, it established rules that would impact future ratemaking proceedings before the Commission, primarily the general rate cases (GRCs) of large water utilities under its jurisdiction. (*Order Instituting Rulemaking Evaluating the Commission's 2010 Water Action Plan Objective of Achieving Consistency Between the Class A Water Utilities' Low-Income Rate Assistance Programs, Providing Rate Assistance to All Low-Income Customers of Investor-Owned Water Utilities, Affordability, and Sales Forecasting*, July 10, 2017 (Rulemaking or R.17-06-024) [Cal Water Appx. 50-74].)

Public Utilities Code section 1701.1 subdivision (d)(1)⁴ defines quasi-legislative cases as proceedings that establish policy, including, but not limited to, rulemakings and investigations that may establish rules affecting an entire industry. In contrast, section 1701.1 subdivision (d)(3) defines ratesetting cases as proceedings in which rates are established for a specific company, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms. The Decision is from an order instituting rulemaking proceeding that established rules for the water industry. Accordingly, it is not a ratesetting case because the Decision did not establish rates for any utility. However, the rules established in the Rulemaking will be implemented in future GRC proceedings of individual water utilities and may, at that time, require adjustments to the water utilities' rates and rate design. Evidentiary hearings are often held in GRC proceedings.

As a result of the Rulemaking proceeding at issue, the Commission decided to conclude the pilot program because the Commission determined it was no longer necessary to incent the water utilities to promote conservation because many other factors were influencing customers to conserve water. (Decision at pp. 68-69 [Golden State Appx. 345-346].) As the Commission has previously explained, circumstances have changed since this pilot program was implemented:

⁴ All section references are to the Public Utilities Code, unless otherwise noted.

We have entered a new paradigm for water consumption as the drought continues and the weather brings us less rain and snow. Californians have heeded our calls and conserved in record numbers, and water [investor-owned utility] customers have done a particularly good job at conservation. As Governor Brown stated in his 2016 Executive Order B-37-16, water conservation must be a California way of life. Governor Brown's orders and the Commission's resolutions, the work of sister state and local agencies and the efforts of Californians have literally changed the landscape of California by incentivizing the removal of lawns, less outdoor watering, and taking steps to eliminate water waste and minimize leaks.

(Order Instituting Rulemaking on the Commission's Own Motion into Addressing the Commission's Water Action Plan Objective of Setting Rates that Balance Investment, Conservation, and Affordability for Class A and Class B Water Utilities (Water Action Plan Rulemaking Decision) [D.16-12-026] at p. 24.)

The Mechanics of the WRAM/MCBA

The Commission implemented this pilot program by authorizing the water utilities to track the difference between forecast revenues and actual revenues, generated from quantity sales, in a decoupling Water Revenue Adjustment Mechanism (WRAM). The accompanying modified-cost balancing account (MCBA) tracks the difference between forecast and actual variable costs (i.e. purchased power, water, and pump taxes).

The goals of the WRAM/MBCA were to sever the relationship between sales and revenue to remove any disincentive for the utility to implement conservation rates and programs; ensure cost savings are passed on to ratepayers; and

reduce overall water consumption. The authorization of the WRAM/MBCA was intended to ensure that the water utilities and their customers were proportionally affected when conservation rates were implemented, so that neither party would suffer or benefit from the implementation. (*Order Instituting Investigation to Consider Policies to Achieve the Commission's Conservation Objectives for Class A Water Utilities* (WRAM Authorization Decision) [D.08-02-036] at p. 26.)

Theoretically, this is accomplished by authorizing the water utilities to true-up the balance in the WRAM/MBCA through rate surcharges (if under-collected) or surcredits (if over-collected) on ratepayers' utility bills. This true-up is designed to make the water utilities indifferent to their customers' increased water conservation, which could otherwise reduce the profits earned by the water utilities if the WRAM/MBCA did not exist. However, if a water utility's WRAM/MBCA is perpetually under-collected, customers may experience continually increasing surcharges on their water bills. (Decision at pp. 51-52, 55-56 [Golden State Appx. 328-329, 332-333].)

 Surcharges can also result in undesirable consequences, such as reducing utility incentives to control costs, and shifting utility business risks away from investors and onto customers. This happens because the WRAM/MCBA protects the water utilities' revenue from *any* difference between forecast and actual sales, not just differences caused by conservation. (Decision at pp. 55-56 [Golden State Appx. 332-333].) For example, actual sales may be less than forecast sales during a rainy year in which

customers require less water for landscaping or during an economic recession when customers are limiting water use as a means to reduce expenditures and companies are going out of business. (Decision at p. 55 [Golden State. Appx. 332].)

Ratepayers are required to make WRAM/MCBA utilities whole for revenue losses during these economic downturns. In contrast under traditional regulation, utilities bear the risk of these economic contractions, as do many other types of businesses and industries. Utilities are compensated for this risk of economic contractions in their adopted rates of return. In fact, the Decision notes that the earlier settlements reached in GRCs that established the WRAMs for the WRAM utilities alluded to the transfer of risk, but there is no evidence that this change in risk was ever quantified in determining the cost of equity for any water utility. (Decision at pp.73-74 [Golden State Appx. 350-351].)

History of the WRAM/MCBA

On December 15, 2005, the Commission issued a Water Action Plan to be used as a roadmap for water policies and priorities in response to increasing statewide concerns about water quality and supply. The Commission's primary goals were to place water conservation at the top of the loading order as the best, lowest-cost supply and to strengthen water conservation programs to a level comparable to those of energy utilities. (Decision at p. 3 [Golden State Appx. 280].)

The Commission concluded it would have to decouple sales from revenues in order to remove the water utilities' financial

disincentive to conserve water. The Commission subsequently adopted the WRAM/MCBA as a pilot program for some class A water utilities to address conservation. (Decision at p. 56 [Golden State Appx. 333].)

After the WRAM utilities implemented the decoupling mechanism, there was significant growth in WRAM surcharges, so the Commission modified various aspects of the decisions adopting the decoupling mechanisms. In particular, a cap was placed on the amount of WRAM surcharges that could be placed on a customer's bill. (D.12-04-048 (*WRAM Amortization Decision*) at pp. 41-44.) However, this measure only extended the time necessary to collect WRAM balances and ultimately increased WRAM balances as interest on the balances continued to accumulate.

In 2015, the Commission expanded the scope of its *Order Instituting Rulemaking Addressing the Commission's Water Action Plan Objectives*, R.11-11-008, to consider other means to address the continuing growth in WRAM balances. (D.16-12-026 (*Water Action Plan Rulemaking Decision*) at pp. 5-7.) Although the final decision retained the mechanisms, it also provided guidance on the creation of new mechanisms that could potentially decrease WRAM balances. (*Id.* at pp. 27-28 and 84-85, Ordering Paragraphs 3-4.)

The Commission opened this proceeding, R.17-06-024, to address the 2010 Water Action Plan objective of achieving consistency among the Class A water utilities' low-income rate assistance programs, providing rate assistance to all low-income

customers of investor-owned water utilities, affordability, and sales forecasting. To ensure proper notice to interested parties, the Commission served the Class A, B, C, and D water utilities, in addition to other organizations. (Rulemaking at pp. 20-21, Ordering Paragraphs 17-19 [Cal Water Appx. 71-72].)

In the Rulemaking, the Assigned Commissioner issued the scoping memo that identifies the issues to be considered and a timetable for resolution. (Pub. Util. Code § 1701.1 subd. (c).) Workshops were held to provide an opportunity for the parties to discuss the issues in the scoping memo. An ALJ ruling and industry division staff workshop report were issued and the parties were invited to file comments responding to questions raised in the ruling and/or workshop report. (Cal. Code of Regs., tit. 20 § 7.5 [Quasi-Legislative Proceedings].) This process was repeated for each workshop held, with sales forecasting being addressed in the third workshop and in the fifth and final workshop.

At the end of Phase I of the Rulemaking, the Commission issued D.20-08-047. In that Decision, the Commission evaluated the sales forecasting processes used by water utilities and concluded that the WRAM/MCBA had proven to be ineffective in achieving its primary goal of conservation. To keep rates just and reasonable, the Commission precluded the continued use of the WRAM/MCBA in future general rate cases, but continued to allow future use of the Monterey-style WRAM with an Incremental Cost Balancing Account (jointly, M-WRAM/ICBA).⁵

⁵ The M-WRAM differs from the WRAM, in that the M-WRAM was adopted to protect the utility from reduced revenues collected

The Decision also adopted other requirements relating to Class A water utilities' low-income rate assistance programs.

Timely applications for rehearing of D.20-08-047 were filed jointly by Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp. (together, Liberty); and separately by California-American Water Company (Cal-Am); California Water Association (CWA); California Water Service Company (Cal Water); and Golden State Water Company (Golden State) on October 5, 2020. Before the Commission issued a decision resolving the pending applications for rehearing, Golden State filed a petition for writ of review with this Court on June 2, 2021.

After this Court granted the Commission's request to hold the court case in abeyance until the Commission could issue its rehearing order, the Commission issued D.21-09-047 on September 27, 2021. The Rehearing Decision modified D.20-08-047 for clarity and denied rehearing.

On October 27, 2021, in response to the Commission's Rehearing Decision, Golden State filed an amended petition for writ of review with this Court in Case No. S269069. California-American Water Company, California Water Service Company, California Water Association, and Liberty Utilities Corp. each filed timely petitions for writ of review, which were filed in Case No. S271493.

under tiered rates as compared to a uniform rate design, while the WRAM was created to protect utilities from revenue shortfalls from lower than adopted sales due to conservation. (Decision at p.52 [Golden State Appx. 329].)

On November 8, 2021, in response to the Commission's filed request to consolidate the two cases, the Court ruled that the Commission may file a single answer to both cases and Petitioners may also file a single reply to both cases.

On November 11, 2021, the Court granted the Commission's request for an extension of time to file its answer. The answer is now due by January 31, 2022.

The National Association of Water Companies (NAWC) filed a Letter of Amicus Curiae (Amicus Curiae Letter) on December 9, 2021.

III. ISSUES PRESENTED

The Petitions raise the following issues:

- 1) Is the Commission's discontinuation of the WRAM/MCBA within the scope of the proceeding?
- 2) Did the Commission afford the parties due process?
- 3) Is the Decision supported by record evidence?
- 4) Did the Commission consider the impact of its decision on conservation and low-income customers?
- 5) Did the Commission properly characterize the proceeding as quasi-legislative?

The answers to all these questions are in the affirmative. The Commission acted lawfully and respectfully requests that the Court deny the Petitions as meritless.

IV. STANDARD OF REVIEW

This Court has jurisdiction to review the Commission decisions at issue pursuant to section 1756. Section 1756, subdivision (a) provides: “any aggrieved party may petition for a writ of review in the court of appeal or the Supreme Court....” Section 1756, subdivision (f) provides: “... review of decisions pertaining solely to water corporations shall only be by petition for writ of review in the Supreme Court,” except in cases of complaints or enforcement matters. The scope of judicial review of a Commission decision is to be “narrow in both ‘manner and scope.’” (*San Diego Gas & Electric Co. v. Superior Court* (1996) 13 Cal.4th 893, 915.)

The grant of a writ of review of Commission decisions under section 1756 is discretionary rather than mandatory. (*Pacific Bell Wireless, LLC v. Public Utilities Com.* (2006) 140 Cal.App.4th 718, 729; *Pacific Bell v. Public Utilities Com.* (2000) 79 Cal.App.4th 269, 272.) The plain language of the statute provides: “If the writ issues, it shall be made returnable at a time and place specified by court order” (Pub. Util. Code, § 1756, subd. (a) (emphasis added).) Thus, the Court is “not compelled to issue the writ if the [Commission] did not err” (*Pacific Bell v. Public Utilities Com.*, *supra*, 79 Cal.App.4th at p. 279; see also, *Southern California Edison Co. v. Public Utilities Com.* (2005) 128 Cal.App.4th 1, 9, reh'g. den., 2005 Cal.App. LEXIS 745 [“the court need not grant a writ if the petitioning party fails to present a convincing argument that the decision should be annulled”].)

The standard of review of the Commission decisions challenged by Petitioners is set forth in section 1757.1. Section 1757.1, subdivision (b) provides:

In reviewing decisions pertaining solely to water corporations, the review shall not be extended further than to determine whether the commission has regularly pursued its authority, including a determination whether the order or decision under review violates any right of the petitioner under the Constitution of the United States or this state.

Pursuant to section 1757.1, subdivision (c):

No new or additional evidence shall be introduced upon review by the court. The findings and conclusions of the commission on findings of fact shall be final and shall not be subject to review except as provided in this article. The questions of fact shall include ultimate facts and findings and conclusions of the commission on reasonableness and discrimination.

The Court's function is not to hold a trial de novo, but to review the entire record to determine whether the Decision's conclusions are reasonable and are supported by the evidence. (*Camp Meeker Water System, Inc. v. Public Utilities Com.* (1990) 51 Cal.3d 845, 863-864.)

Courts have opined that the Commission "is not an ordinary administrative agency, but a constitutional body with broad legislative and judicial powers." (See e.g., *Wise v. Pacific Gas & Electric Co.* (1999) 77 Cal.App.4th 287, 300; *Southern California Edison Co. v. Public Utilities Com.* (2000) 85 Cal.App.4th 1086, 1096.)

In *Greyhound Lines, Inc. v. Public Utilities Com.* (1968) 68 Cal.2d 406, the Court noted that there is a “strong presumption of validity of the commission’s decisions.” (*Id.* at pp. 410-411 [citations omitted]; see also, *Southern California Edison Co. v. Public Utilities Com.*, *supra*, 85 Cal.App.4th at pp. 1086, 1096.) The Court has cautioned that the scope of review of Commission decisions shall not extend further than to determine whether the Commission has regularly pursued its authority. (See, e.g., *Goldin v. Public Utilities Com.* (1979) 23 Cal.3d 638, 652-653; *Toward Utility Rate Normalization v. Public Utilities Com.* (1988) 44 Cal.3d 870, 880.)

In the Court’s review, the Commission’s interpretation of the Public Utilities Code, as the agency constitutionally authorized to administer its provisions, should be given great weight. (*Southern California Edison Co. v. Peevey* (2003) 31 Cal.4th 781, 796; *Greyhound Lines, supra*, 68 Cal.2d at p. 410 [“the commission’s interpretation of the Public Utilities Code should not be disturbed unless it fails to bear a reasonable relation to statutory purpose and language...”]; *Southern California Edison Co. v. Public Utilities Com.* (2004) 117 Cal.App.4th 1039, 1044.)

Even under the more general agency deference guidelines of *Yamaha Corp. of America v. State Bd. of Equalization* (1998) 19 Cal.4th 1 (*Yamaha*), the Commission is entitled to the greatest level of agency deference, as the Commission has been delegated the Legislature’s lawmaking power in its regulation of public utilities. (Pub. Util. Code, § 701; *Yamaha, supra*, 19 Cal.4th at

p. 11.) Because these rulemaking decisions are created “pursuant to a delegation of legislative power’,” they “do not present a matter for the independent judgment of an appellate tribunal; rather [questions of their validity] come to this court freighted with [a] strong presumption of regularity....’ [Citation].” (*Yamaha, supra*, 19 Cal.4th at p. 11.) “The rationale for deference is strongest when the challenged action by the agency results from a rulemaking decision within the authority delegated to the agency [citation], where the agency interprets one of its own regulations [citations], or where the agency engages in factfinding based on conflicting evidence [citation].” *New Cingular Wireless PCS, LLC v. Public Utilities Com.* (2016) 246 Cal.App.4th 784, 807.)

Finally, with respect to Petitioners’ constitutional challenges, section 1760 provides:

Notwithstanding Sections 1757 and 1757.1, in any proceeding wherein the validity of any order or decision is challenged on the ground that it violates any right of petitioner under the United States Constitution or the California Constitution, the Supreme Court shall exercise independent judgment on the law and the facts, and the findings or conclusions of the commission material to the determination of the constitutional question shall not be final.

It has long been recognized that section 1760 does not authorize the Court to substitute its own judgment as to the weight to be accorded evidence before the Commission or the purely factual findings made by it. “In other words, judicial reweighing of evidence and testimony is ordinarily not

permitted.” (*Pacific Gas & Electric Co. v. Public Utilities Com.* (2015) 237 Cal.App.4th 812, 838-839, *citing, inter alia, Toward Utility Rate Normalization v. Public Utilities Com.* (1978) 22 Cal.3d 529, 538 [“When conflicting evidence is presented from which conflicting inferences can be drawn, the commission's findings are final”]; *Pacific Tel. & Tel. Co. v. Public Utilities Com.* (1965) 62 Cal.2d 634, 647 [findings which are final include those involving “conflicting evidence [or] undisputed evidence from which conflicting inferences may reasonably be drawn”]; *Cal. Portland Cement Co. v. Public Utilities Com.* (1957) 49 Cal.2d 171, 175 [“The weighing of whatever factors may have tended [to support an implied finding by the Commission] was a matter within the exclusive jurisdiction of the [C]ommission”].) “The only exception is those findings or conclusions ‘drawn from undisputed evidence from which conflicting inferences may not reasonably be drawn [and therefore] present questions of law.’” (*Pacific Gas & Electric Co. v. Public Utilities Com.*, *supra*, 237 Cal.App.4th at p. 839, quoting *Pacific Tel. & Tel. Co. v. Public Utilities Com.*, *supra*, 62 Cal.2d at p. 647.)

In the present case, the Commission proceeded in the manner required by law. Petitioners have failed to present any valid argument for the Court to annul the Commission decisions. Therefore, the Commission respectfully submits that the Petitions should be denied.

V. ARGUMENT

A. The discontinuation of the WRAM was within the scope of the proceeding.

Petitioners allege that the Decision is unlawful because it eliminated the WRAM in violation of section 1701.1, subdivision (c) and Commission Rules of Practice and Procedure 7.3⁶ (Cal. Code of Regs., tit. 20, § 7.3.) by addressing an issue that was not within the scope of the proceeding. Specifically, Petitioners allege that the discontinuation of the WRAM/MCBA decoupling mechanism was not included in the scoping memos issued in the proceeding. (Golden State at p. 28, CWA at p. 30, Cal-Am at p. 26, Cal Water at p. 25, Liberty at p. 25.) Additionally, Cal-Am claims there may be entities who would have participated in the proceeding, but were not noticed of the potential discontinuation of the WRAM/MCBA. (Cal-Am at pp. 29-30.) As explained below, Petitioners are not correct. The WRAM/MCBA was included in the original Scoping Memo as part of the water sales forecasting issue, so any interested party would have known the Commission planned to address these issues in the proceeding. (*Scoping Memo and Ruling of Assigned Commissioner*, January 9, 2018, at pp. 2-3 (Scoping Memo) [CWA Appx. 45-46].) The Commission did not violate its own rules or fail to regularly pursue its authority.

Section 1701.1, subdivision (c) provides, in relevant part, that “[t]he assigned commissioner shall prepare and issue by

⁶ Unless otherwise noted, all rule references are to the Commission’s Rules of Practice and Procedure.

order or ruling a scoping memo that describes the issues to be considered and the applicable timetable for resolution” Rule 7.3, in relevant part, provides:

The assigned Commissioner shall issue the scoping memo for the proceeding, which shall determine the schedule (with projected submission date), issues to be addressed, and need for hearing. . . . In a proceeding initiated by application or order instituting rulemaking, the scoping memo shall also determine the category. . . .

(Cal. Code of Regs., tit. 20, § 7.3.) Section 1701.1, subdivision (b) and rule 7.3 require the Scoping Memo to include the issues to be addressed in the proceeding but does not require it to list all possible outcomes to a proceeding. In this proceeding, the discontinuation of the WRAM/MCBA was the action the Commission took as a result of its review of the forecasting issue, as identified in the Scoping Memo.

The Scoping Memo identified water sales forecasting as an issue the Commission would address in the proceeding, specifically asking “What guidelines or mechanisms can the Commission put in place to improve or standardize water sales forecasting for Class A water utilities?” (Scoping Memo at pp. 2-3 [CWA Appx. 45-46].) The WRAM is a regulatory accounting mechanism. Water sales forecasting was an issue in this proceeding because of its effect on WRAM balances and the effect of those balances on customer rates. Accordingly, the WRAM is inextricably tied to water sales forecasting because when forecast sales are higher than actual sales, the WRAM utilities recover that difference in revenue through surcharges on customer’s bills. Therefore, the risk of the utilities’ inaccurate forecasting is borne

by the ratepayers. For water utilities without a WRAM, there is no mechanism to true-up the lost revenue when their water sales forecast is higher than actual sales and therefore the risk is borne by the utility.

The Commission's concern about water sales forecasting and its effect on rates is, therefore, heightened because of the WRAM. The Commission has recognized in prior rulemaking proceedings that "[i]mproving forecasting methodologies is key to reducing WRAM and surcharge balances. Inaccurate forecasts provide the air that balloons the WRAM and surcharges."

(D.16-12-026 (Water Action Plan Rulemaking Decision) at p. 6.)

Additionally, it found that "[t]he record of substantial WRAM balances or surcharges imposed over months or years on Class A and B water [investor-owned utility] customers due to mismatches between authorized revenue and sales demands action now to better align forecasted rates to recorded sales." (*Id.* at p. 37.)

Here, the Decision explains that the WRAM issue, as it relates to water sales forecasting, was part of the Rulemaking from the beginning. As the Decision emphasizes, comments made by parties throughout the proceeding show the parties understood that the WRAM and sales forecasting were to be addressed by the Rulemaking:

California-American Water Company also identified sales forecasting as an important issue for this rulemaking to explore as the "long-standing problem of forecasting future sales ... has been heightened by periods of drought and issues related to very

substantial balances in the Water Revenue Mechanism Accounts.”

(Decision at pp. 18-19, quoting Cal-Am’s August 21, 2017 comments to R.17-06-024, p. 3 [Golden State Appx. 295-296].)

In comments to this Scoping Memo the California Water Association, among other suggestions, called for folding the WRAM/MCBA recovery into base rates instead of surcharges^[7] while the Public Advocates Office of the Public Utilities Commission argued that the large variances in forecasted sales are exacerbated by the WRAM/MCBA process.^[8] Accordingly, the August 2, 2019, workshop included a panel on drought sales forecasting that identified a number of problems with the WRAM/MCBA mechanism. The September 4, 2019, Ruling specifically sought comment on whether the Commission should convert utilities with a full WRAM/MCBA mechanism to a Monterey-Style WRAM with an incremental cost balancing account.

(Decision at p. 54, fns. in original [Golden State Appx. 331].)⁹

The Public Advocates Office of the Public Utilities Commission recognizes that forecast variance is inevitable in rate-of-return regulation, but that the impact on water utilities has been muted as the result of the WRAM decoupling mechanism in California. While the Public Advocates Office of the Public Utilities Commission recognized that large WRAM balances are not solely caused by a large

⁷ CWA Comments dated February 23, 2018 at p. 9.

⁸ Public Advocates Office Comments dated February 23, 2018 at p. 8.

⁹ The Public Advocates Office is the independent consumer advocate at the California Public Utilities Commission. The office’s mission is to advocate for the lowest possible monthly bills for customers of California’s regulated utilities consistent with safety, reliability, and the state’s environmental goals.

variance in forecasted sales, it argued that by mitigating the consequences of inaccurate sales forecasts, WRAM and other decoupling mechanisms exacerbate the actual size of the variance.

(Decision at p. 30 [Golden State Appx. 307].)

Further, in its February 23, 2018 comments cited above, CWA specifically tied WRAM recovery with the Commissioners' intent and the Scoping Memo:

Last, the Commission should also consider folding the Water Revenue Adjustment Mechanism/Modified Cost Balancing Account ("WRAM/MCBA") recovery into base rates instead of surcharges. This would be in keeping with the opinions expressed by the Commissioners at the meeting when this rulemaking was initiated. . . .¶ These changes will help address the issue articulated in the Scoping Memo, because more of the revenue differences between the earlier sales forecast and the actual sales will flow into base rates. This will send more accurate pricing conservation signals to customers, ameliorate intergenerational risk, help utilities avoid large WRAM/MCBA surcharges

(Comments of CWA on Phase I Issues, dated February 23, 2018 at pp. 8-9 [Resp. Appx. 009-010].)

Finally, the Water Division staff report on the workshop held on January 14, 2019, reports that the issue of WRAMs was discussed:

Also discussed were the effects of mid-year corrections, water revenue adjustment mechanisms (WRAMS) and sales reconciliation methods (SRMs), which [Public Advocates Office] claimed reduce scrutiny of company expenses and are burdensome to ratepayers.

(March 2019 ALJ Ruling, Att. A, p. 2 [CWA Appx. 79].) These comments, many of which were filed early in the proceeding, illustrate that WRAM issues were an integral part of the discussions on sales forecasting throughout the proceeding.

The above notwithstanding, Petitioners cite *Southern California Edison Co. v. Public Utilities Com.* (2006) 140 Cal.App.4th 1085 (*Edison*) to support their scoping memo arguments. (Golden State at pp. 31-33, CWA at pp. 35-38, Cal-Am at pp. 27-29, Cal Water at pp. 30-31, Liberty at pp. 29-32.) However, Petitioners' reliance on *Edison* is misplaced. In *Edison*, a party, joining the proceeding late, filed opening comments ten months after opening comments were due. The comments included four-hundred pages of supporting materials and offered new proposals, for the first time in the proceeding, which were entirely unrelated to the issues listed in the scoping memo. The ALJ ruling gave parties three business days (excluding the weekend and a legal holiday) to file supplemental reply comments. (*Edison, supra*, 140 Cal.App.4th at 1104-1106 [prevailing wage issue added to proceeding scope to consider bid shopping and reverse auction in utility contracting].) In contrast, here, as explained above, WRAM issues were included in the list of issues in the Scoping Memo as water sales forecasts and the WRAM are inextricably linked. CWA and Cal-Am argue that neither a party nor the ALJ may expand the proceeding, but that argument is not relevant here. (CWA at p. 37, Cal-Am at p. 28.) As discussed above, sales forecasting was identified in the Commissioner's scoping memo.

Moreover, *Edison* found that the Commission's violation of its rules was prejudicial because three business days was not enough time for parties to respond to the new proposals. (*Edison, supra*, 140 Cal.App.4th at 1106.) Here, in addition to the issue being part of the scoping memo and discussed throughout the proceeding, on September 4, 2019, the ALJ issued a ruling inviting further comments on the issue and thus provided the parties an additional opportunity for input. The ALJ ruling specifically asked parties to comment on whether the Commission should consider converting WRAM/MCBA to M-WRAM/ICBA. (*Administrative Law Judge's Ruling Inviting Comments on Water Division Staff Report and Responses to Additional Questions*, September 4, 2019 (September 2019 ALJ Ruling Inviting Comments) at p. 3 [CWA Appx. 127].) The parties had twelve days to file opening comments and another seven days to file reply comments. (*Id.* at p. 5 [CWA Appx. 129].) Once the ALJ's ruling issued, the parties had ample time to submit comments, and parties did file both opening and reply comments. No party has alleged it did not have time to respond to the questions. Further, unlike *Edison*, there were no lengthy proposals with attachments and the issue was one with which Petitioners were completely familiar. Even assuming, arguendo, that the Commission had violated its rules, *Edison* is not relevant here, because the parties were not prejudiced. They had ample opportunity to file substantive comments, but chose not to do so.

Additionally, Cal Water and CWA cite *City of Huntington Beach v. Public Utilities Commission* (2013) 214 Cal.App.4th 566

(*Huntington Beach*) to support their argument. (CWA at pp. 34-34, Cal Water at pp. 31-32.) Like *Edison*, this decision is not relevant to this case. In *Huntington Beach*, in its rehearing decision, the Commission concluded that a construction project preempted local ordinances where “[t]hroughout the [Commission] proceedings, the parties and the [C]ommission emphasized that a court, not the [C]ommission, would adjudicate the validity of the City's municipal ordinances.” (*Huntington Beach, supra*, 214 Cal.App.4th at 570.) The Court held that the Commission lacked authority to expand the scope of the underlying proceeding, during the reconsideration process, to the detriment of a party. (*Id.* at 592-593.) In the present case, there was no stipulation or express language in the Scoping Memo that eliminated an issue from the proceeding, nor was there prejudice to a party, equivalent to that in *Huntington Beach*.

The Court of Appeal addressed the holdings in both of these cases in *BullsEye Telecom, Inc. v. Public Utilities Com.* (2021) 66 Cal.App.5th 301 (*BullsEye Telecom*). In *BullsEye Telecom*, the Court of Appeal discussed that the petitioners asserted that their “evidentiary showing would have been quite different if the Scoping Memo in 2012 reflected the Commission’s current view that only differences in cost-of-service could provide a ‘rational basis for different rates.’” (*BullsEye Telecom, supra*, 66 Cal.App.5th at 327.) The Court of Appeal held that, because rational basis for different rates was an issue in the Scoping Memo, petitioners failed to show that cost was excluded as an issue by the Scoping Memo, especially in light of the legal

position taken by the Real Party in Interest that there is no difference in cost. (*Ibid.*)

Bullseye Telecom explains that *Edison* and *Huntington Beach* “do not hold the Commission may not “depart” from a scoping memo and they do not support a finding of prejudice in the present case.” (*BullsEye Telecom, supra*, 66 Cal.App.5th at 326.) Both of the earlier cases were reversed because the scoping memo violations were prejudicial to a party. As in *BullsEye Telecom*, those earlier cases do not support a finding of prejudice in the instant case. Here, as in *BullsEye Telecom*, the Decision did not resolve issues not encompassed by the Scoping Memo and Petitioners were not prejudiced, as they had adequate opportunity to provide evidence on the issues addressed in the Decision. (*Id.* at p. 327.)

Nonetheless, in an effort to show prejudice, Golden State and Cal Water argue if they would have had any notice that the Commission would consider eliminating the use of the WRAM and MCBA mechanisms in future general rate cases, they would have advocated for hearings. (Golden State at p. 31, Cal Water at pp. 34-35.) Further, Cal Water alleges it “was denied a meaningful opportunity to present **any** evidence regarding the potential elimination of the WRAM/MCBA because the Commission provided inadequate notice. (Cal Water at pp. 34-35, emphasis in original.) These baseless claims are belied by the September 2019 ALJ Ruling Inviting Comments that specifically invited the parties to comment on that exact question:

For utilities with a full Water Revenue Adjustment Mechanism (WRAM)/Modified Cost Balancing

Account (MCBA), should the Commission consider converting to Monterey-Style WRAM with an incremental cost balancing account?

(September 2019 ALJ Ruling Inviting Comments at p. 3 [CWA Appx. 127].)

Next, Cal Water argues that evidentiary hearings were held in prior proceedings that addressed WRAM issues. (Cal Water at pp. 34-35.) Most of those proceedings were individual water utility GRC proceedings in which customer water rates were set for that specific utility. As discussed more fully in section V. C., below, this is a rulemaking proceeding in which the Commission is setting policy for the entire water industry on a prospective basis. Here, the Commission did not set any rates for any water utility.

Cal Water argues that it would have provided “pertinent evidence” if the Commission had held evidentiary hearings.¹⁰ (Cal Water at pp. 34-35.) However, hearings were not necessary for Cal Water to present such evidence. Cal Water and any other party had every opportunity to present such evidence in its comments to the September 2019 ALJ Ruling Inviting Comments, but declined to do so. As the Court found in *BullsEye Telecom*, “[i]f petitioners had relevant evidence to present on that issue but failed to do so, that was their own strategic decision and they cannot now be heard to complain.” (*BullsEye Telecom*, *supra*, 66 Cal.App.5th at 327.)

¹⁰ The evidence Cal Water alleges it would have provided is irrelevant to the Rulemaking proceeding. That evidence is more appropriately presented in its next GRC proceeding in which the Commission will set rates for Cal Water’s customers.

Moreover, nothing in the Scoping Memo precluded the WRAM utilities from requesting hearings. In fact, the Scoping Memo stated that hearings are not required at this time. It further stated that if hearings are required at a later date, an amended scoping memo would be issued. (Scoping Memo at p. 4 [CWA Appx. 47].) The parties at any time could have filed a motion to request hearings. No party did. Even after the September 2019 ALJ Ruling Inviting Comments specifically asked for comments on whether the Commission should consider replacing the WRAM with the Monterey-Style WRAM, no party requested hearings. More than ten months elapsed, after the parties filed their reply comments to the September 2019 ALJ Ruling Inviting Comments, before the Proposed Decision was issued. The parties had adequate time to file a motion requesting hearings after the ALJ ruling requested comments on that issue.

Further, the parties had notice that, as a pilot program, the continuation of the WRAM and MCBA was regularly under consideration. From the time the WRAMs were initially authorized, the Commission regularly evaluated whether the WRAM and MCBA should be continued and highlighted the need for further consideration. In D.12-04-048 (*WRAM Amortization Decision*) the Commission ordered “a more vigorous review of the [WRAM/MCBA] mechanisms and options to the mechanisms, as well as sales forecasting, be conducted [in] each applicant’s pending or next [GRC] proceeding.” It further ordered the utilities to address five options in those proceedings, including whether the Commission should adopt a Monterey-Style WRAM

rather than the existing full WRAM and whether the Commission should eliminate the WRAM mechanism. (*Id.* at pp. 42-43.) In D.16-12-026 the Commission stated: “We conclude that, at this time, the WRAM mechanism should be maintained.” (D.16-12-026 (*Water Action Plan Rulemaking Decision*) at p. 41.) Finally, the Petitioners’ filings themselves show the Commission’s ongoing evaluations of the viability of the WRAM in their individual GRC, and other, proceedings. (See, e.g., *Golden State* at pp. 17-19, *Cal Water* at pp. 18-19, *Liberty* at pp. 17-18.) There was no scoping memo violation, and even if there had been, Petitioners were not prejudiced because they had ample opportunity to address the issue.

In the Amicus Curiae Letter of National Association of Water Companies (NAWC), NAWC argues that it was precluded from participating in R.17-06-024 because the Scoping Memo did not indicate the Commission would consider eliminating the WRAM during the proceeding. It alleges it was therefore deprived of the opportunity to participate in the proceeding to provide the Commission a “full and robust record on which to base its decision.” (Amicus Curiae Letter at p. 6.).

Even assuming, *arguendo*, that NAWC was under the mistaken belief that the issue of forecasting did not include the WRAM, its allegations are disingenuous at best. As discussed more fully below, NAWC’s members were participants in the proceeding, so it should have been well aware that the September 2019 ALJ Ruling Inviting Comments had requested comments on the Commission’s discontinuation of the WRAM. NAWC could

have requested party status at that time. Instead, it filed its request for party status almost a year later. By the time NAWC requested party status on July 22, 2020, Phase I of the proceeding had been submitted and the Proposed Decision had been issued.

Moreover, NAWC's motion for party status never mentioned Phase I, filing comments on the Proposed Decision, or the issue of the WRAM. In fact, its references to Covid-19 indicated it was interested in participating in Phase II of the proceeding because the scoping memo for Phase II identified Covid-19 as an issue to be addressed:

NAWC's member companies share a deep understanding of the importance of uninterrupted delivery of quality water and wastewater services. Water plays an essential role in any thriving community and our nation's economy. Our water infrastructure systems are the backbone upon which communities survive and prosper. NAWC shares the Commission's interest in issues concerning affordability of clean, safe drinking water for low-income customers and disadvantaged communities.

Now more than ever, access to quality water and wastewater services is critical for the containment of COVID-19 and the preservation of public health and sanitation. Our member companies are working to combat the spread of COVID-19 by ensuring the communities they serve have unimpeded access to clean water in order to promote personal hygiene and overall public health. As the COVID-19 pandemic continues to evolve, NAWC is committed to the health of our nation's water systems by offering the information and resources we have at our disposal to communities in need. NAWC can draw upon the

experience of member companies nationwide and provide insight as to industry best practices.

NAWC expects to file comments when given the opportunity and participate in workshops to the extent possible. NAWC's participation will not raise new issues in this proceeding, will not prolong or delay this proceeding, and will not adversely affect the interests of existing parties.

(National Association of Water Companies Motion for Party Status, filed July 22, 2020 [Resp. Appx. 021-023].) NAWC's reference to participating in workshops further supports its intent to participate in Phase II of the proceeding, rather than Phase I.

Accordingly, the ALJ Ruling granted NAWC party status for Phase II. (August 27, 2020 E-Mail Ruling Granting Party Status to National Association of Water Companies at pp. 3-4 [Resp. Appx. 026-027].) A review of the docket card in the Rulemaking reveals that NAWC has made no filings in Phase II of the proceeding.

Nonetheless, NAWC's interests were well represented in that proceeding. All four of the petitioning water companies in Case Numbers S269099 and S271493 are active members of NAWC. The remaining petitioner, CWA, serves as a chapter of NAWC:¹¹

¹¹ NAWC website at <https://nawc.org/about-2/our-members/active-members/> and <https://nawc.org/chapters/california/>. The Commission respectfully requests that the Court take judicial notice of NAWC's website pages identified above, as permitted under Evidence Code section 452 subdivision (h) as the Petitioners in this case are capable of confirming or denying, with accuracy, their membership in NAWC. (Resp. Appx. 028-031].)

The California Water Association (CWA) is an independent organization that also serves as a chapter of the NAWC. CWA represents the interests of approximately 125 investor-owned water utilities that are regulated by the California Public Utilities Commission

Regardless of the reason NAWC was not a party to Phase I of the proceeding, it has failed to show that it was prejudiced by that decision. Many members of NAWC were active participants in that phase of the proceeding.

B. Petitioners were afforded due process.

Petitioners contend they were denied due process because they were not given a meaningful opportunity to be heard and to respond to the discontinuation of the WRAM in violation of statutory requirements and constitutional due process. Golden State and Liberty contend the Decision violated section 1708 by failing to have an evidentiary hearing before discontinuing the WRAM. More specifically, they argue that the Decision's order to refrain from seeking WRAM/MCBAs in their next general rate case proceedings rescinds previous Commission decisions without affording parties a meaningful opportunity to address the relevant issues as required by section 1708. (Golden State at pp. 34-37, Liberty at pp. 32-34.)

Section 1708 provides the Commission discretion to rescind, alter, or amend any order or decision made by it:

The commission may at any time, upon notice to the parties, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it. Any order rescinding, altering, or amending a prior order or

decision shall, when served upon the parties, have the same effect as an original order or decision.

The Petitioners are incorrect in their argument that Section 1708 provides the right to evidentiary hearings in the Rulemaking proceeding. The Decision does not rescind, alter, or amend any prior decision. Rather, based upon the record in the Rulemaking proceeding, the Commission determined that it was no longer necessary to incent the water utilities to promote water conservation. The Decision specifically stated that the policy decision to discontinue the use of the WRAM would be implemented in the utilities' next GRCs. (Decision at p. 76 [Golden State Appx. 353].) Because no changes or modifications were made to any prior decisions, section 1708 is not implicated, and no hearing is required.

Even assuming, *arguendo*, that Petitioners did have a statutory right to hearings, Petitioners waived that right by not requesting that the Commission schedule hearings. In *California Trucking Association v. Public Utilities Commission* (1977) 19 Cal.3d 240 (*California Trucking*), a ratesetting proceeding, the Commission cancelled minimum rates on the transportation of flattened automobile bodies. The petitioner had requested a hearing on two separate occasions, but the Commission refused those requests. (*California Trucking Assn. v. Pub. Util. Com.*, *supra*, 19 Cal.3d at 242-243.) Although the Court, based on the circumstances in that case, found that the petitioner was entitled to a hearing, it also noted that “[i]f no party seeks to challenge a proposed order except by merely submitting written comments on its merits, the commission is not required to hold a hearing.” (*Id.*

at p. 245.) Further, the Court found that “there is nothing remarkable in the concept that one who is entitled to a hearing may waive his right thereto by failing to assert it.” (*Id.* at p. 245, fn. 7.) As discussed above, section 1708 does not provide the right to evidentiary hearings in this proceeding. But even if Petitioners had such a right, the Commission did not violate Petitioners’ due process rights as no party requested evidentiary hearings.

Golden State alleges that because its authorization to use the WRAM/MCBA was granted following an evidentiary hearing, section 1708.5 subdivision (f) is applicable in the Rulemaking. (Golden State at p. 37.) The Commission does not dispute that section 1708.5 subdivision (f) grants the right to an evidentiary hearing under certain circumstances. However, as discussed above, even if Golden State were entitled to an evidentiary hearing in the Rulemaking, it waived that right by failing to assert it.

Golden State and Liberty next argue that because “no evidence on the efficacy of the WRAM/MCBA or the effects of its elimination had been collected in the Rulemaking ..., the WRAM utilities had no reason to imagine that the Commission would eliminate the WRAM/MCBA in the Rulemaking.” (Golden State at p. 36, Liberty at pp. 33-34.) As Commission-regulated water utilities, Petitioners are well aware that a rulemaking proceeding develops record evidence through the parties’ submission of comments on questions posed by the Commissioner or ALJ. (See discussion, *infra*, § V. C. at p. 43.) The September 2019 ALJ

Ruling Inviting Comments notified the parties that “the proposed decision in this proceeding may include amendments to the Commission’s program rules” and “[i]n order to ensure a complete record for consideration in this proceeding the parties, in addition to commenting on the attached Staff Report, are to respond to the questions set out below.” (September 2019 ALJ Ruling Inviting Comments at p. 2 [CWA Appx. 126].) One of those questions alerted the parties that the Commission was considering whether it should convert WRAMs to Monterey-style WRAMs. This was the time for the parties to provide evidence, and establish a record, on whether the Commission should do so. It is not clear how the water utilities could have “had no reason to imagine” that the Commission would eliminate the WRAM when the September 2019 ALJ Ruling Inviting Comments specifically asked that question. The Commission cannot be faulted for the Petitioners’ decision to decline to provide evidence for the record.

BullsEye Telecom addressed this due process issue. In that decision, the Court of Appeal found the petitioners had the opportunity to present evidence but had not done so. (*BullsEye Telecom, supra*, 66 Cal.App.5th at 327.) The Court held: “[i]f petitioners had relevant evidence to present on that issue but failed to do so, that was their own strategic decision and they cannot now be heard to complain.” (*Ibid.*) Likewise, in the present case, Petitioners had the opportunity to provide substantive comments in response to the questions in the September 2019 ALJ Ruling Inviting Comments, but declined to

do so. They cannot now complain that they lacked the opportunity to be heard.

Further, Petitioners' reliance on *California Association of Nursing Homes, etc. v. Williams* (1970) 4 Cal.App.3d 800 is misplaced. (Golden State at p. 36, Liberty at p. 34.) In that case, the defendant agency, required by statute to create Medi-Cal reimbursement rates for nursing homes, failed to produce an evidentiary record for the court to review and the defendant agency based its decision on off-the-record, private negotiations with select affected businesses, rather than public hearings as required by statute. (*Cal. Assn. of Nursing Homes, etc. v. Williams, supra*, 4 Cal.App.3d at 810-812.) Golden State and Liberty argue that this case requires that evidence must be made available for rebuttal by affected parties. (Golden State at p. 36, Liberty at 34.) Here, the Commission's Rulemaking was a public proceeding. The entire record is available to the parties on the Commission's website, all parties were entitled to attend the workshops and file opening and reply comments, and there are no allegations of private negotiations.

Nonetheless, Golden State and Liberty argue that the only evidence in the record to support the Decision's elimination of the WRAM is Public Advocates Office's graph and because it had no opportunity to rebut this data, the Commission violated section 1708 and the WRAM utilities' due process rights. (Golden State at pp. 36-37, Liberty at p. 34.)¹²

¹² See page 47 for a discussion that the Public Advocates Office's graph is not "the only evidence in the record to support the Decision's elimination of the WRAM."

It is well established that due process requires "adequate notice" and an opportunity to be heard. "Due process as to the commission's initial action is provided by the requirement of adequate notice to a party affected and an opportunity to be heard before a valid order can be made." (*People v. Western Airlines, Inc.* (1954) 42 Cal.2d 621, 632.)

Discontinuation of the WRAM/MBCA was raised throughout the proceeding and the opportunity to file opening and reply comments on this specific issue was explicitly provided in the September 2019 ALJ Ruling Inviting Comments. The graph at issue was provided in Public Advocates Office's reply comments in response to CWA's opening comments. (*Reply Comments of the Public Advocates Office on the Water Division's Staff Report and Response to Additional Questions*, September 23, 2019 at pp. 6-7 [Golden State Appx. 461-462].) In the ten months between Public Advocates Office's introduction of the graph and the issuance of the Proposed Decision, Petitioners never sought the opportunity to respond to the graph. Petitioners and the other parties could have filed a motion to strike the graph or a motion requesting the opportunity to respond to the graph. No party did so.

As discussed above, the parties did not avail themselves of the opportunity to address the graph; they "cannot now be heard to complain." Petitioners have not shown that the Commission failed to proceed in the manner required by law.

C. The Decision is supported by record evidence.

Petitioners argue that the Decision is not supported by the record. More specifically, they contend that elimination of the WRAM is not supported by record evidence. Despite these allegations, there is ample record evidence to support the Commission's Decision.

The Decision is an exercise of the Commission's legislative powers. The proceeding from which the Decision arose is a rulemaking, categorized as quasi-legislative, which places the matter within the public utility legislative function. (See *Wood v. Public Utilities Com.* (1971) 4 Cal.3d 288, 291 (finding that "[i]n adopting rules governing service and in fixing rates, a regulatory commission exercises legislative functions delegated to it ...").) A legislative or quasi-legislative proceeding stands in contrast to a quasi-adjudicative proceeding, which involves an agency "applying an existing rule to existing facts," whereas the legislative function involves "creating a new rule for future application." (*20th Century Ins. Co. v. Garamendi* (1994) 8 Cal.4th 216, 275 (internal citation marks omitted).) Here, the Commission's actions were entirely prospective and clearly legislative in nature — i.e., updating program rules and establishing new programs. When acting in its legislative capacity the Commission has broad discretion. (See e.g., *id.* at p. 306 (applying the narrow arbitrary and capricious standard of review to an agency acting in a quasi-legislative capacity).)

When the Commission is acting in its legislative capacity it can rely on facts beyond just those established in an evidentiary

hearing, with freedom to consider a broader set of record evidence, including “legislative facts.” Indeed, the California Supreme Court explained that the facts found when an agency is performing a quasi-legislative function “must themselves be viewed as quasi-legislative in nature. All are informed with legal, policy, and technical considerations... . Consequently, none is similar to the sort of 'historical or physical facts' ... typically found in the course of administrative adjudication.” (*20th Century Ins., supra*, 8 Cal.4th at 278, fn. 12.) The Court went on to note that agencies can consider “legislative facts” that may fall outside the record (*id.* at p. 306), which are general facts that do not directly concern the parties, but can assist the Commission in deciding “questions of law and policy and discretion.” (*Western Oil & Gas Assn. v. State Lands Com.* (1980) 105 Cal.App.3d 554, 565; *Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service* [D.99-07-047] 1999 Cal. PUC Lexis 451 at pp. 23-24.)

In the Rulemaking proceeding, the Decision’s policy determinations are well supported by the record evidence, which includes party comments in response to the July 10, 2017 Rulemaking 17-06-024; party comments in response to the multiple ALJ rulings inviting comments; and the multiple Staff Workshop Reports. The Commission considered this record evidence, along with legal, policy, and technical considerations, to reach its decision to discontinue any future authorization to use the WRAM/MCBA.

The above notwithstanding, Petitioners erroneously

contend that certain findings of fact and conclusions of law are not supported by record evidence in violation of section 1757.1 subdivision (a)(1). (Golden State at pp. 38-45, Cal-Am at pp. 38-44, Liberty at pp. 34-40.) Petitioners support their claims with evidence they provided in their comments on the Proposed Decision. (*Ibid.*)

However, comments on a proposed decision are not record evidence. Comments on a proposed decision must “focus on factual, legal or technical errors in the proposed ... decision and ... shall make specific references to the record or applicable law ... [or are] accorded no weight. (Cal. Code of Regs., tit. 20, § 14.3 subd. (c).)

Findings of Fact #13 and #14

Petitioners specifically argue that a critical determination in the Decision’s discontinuation of the WRAM/MCBA is its finding that the mechanisms are no more effective in promoting conservation than the Monterey-Style WRAM/ICBA mechanisms, as stated in Findings of Fact #13 and #14. (Golden State at pp. 38-41, Cal-Am at pp. 42-43, Liberty at pp. 35-38.)

Findings of Fact #13 and #14 state:

13. Average consumption per metered connection for WRAM utilities is less than the consumption per metered connection for non-WRAM utilities as evidenced in water utility annual reports filed from 2008 through 2016.
14. Conservation for WRAM utilities measured as a percentage change during the last 5 years is less than conservation achieved by non-WRAM utilities, including Class B utilities as evidenced in water utility annual reports filed from 2008 through 2016.

Golden State and Liberty allege Finding of Fact #13 is solely based on the graph submitted in Public Advocates Office's September 2019 reply comments. (Golden State at pp. 39-40, Liberty at p. 36.). However, this argument is in error because the Rehearing Decision modified the Decision to remove Finding of Fact #13 from the Decision because it was not necessary. (Rehrg. Dec. at p. 34 [Golden State Appx. 528].)

Regarding Finding of Fact 14, Golden State and Liberty further argue that because the WRAM utilities were not provided an opportunity to counter Public Advocates Office's graph, no valid record was established on the issue of whether the WRAM/MBCA should be discontinued. (Golden State at pp. 38-39, Liberty at p. 37.) To support this claim, they cite *The Utility Reform Network v. Public Utilities Commission* (2014) 223 Cal.App.4th 945, 959 (*TURN*) and claim the "[C]ourt's point was that the question was not whether hearsay evidence was admissible in Commission proceedings, but whether the Commission may rely only on disputed evidence that has not been subject to cross-examination." (Golden State at p. 39, Liberty at pp. 35-36.) Golden State and Liberty misconstrue this decision. In fact, the Court stated: "Consequently, the issue before us is a narrow one. May the Commission base a finding of fact *solely* upon hearsay evidence where the truth of the extrarecord statements is disputed? The answer is no." (*TURN, supra*, 223 Cal.App.4th at 959, italics added.)

In *TURN*, the Commission held adjudicatory hearings to determine whether to grant permission to Pacific Gas & Electric

Company (PG&E) to enter into an energy contract. PG&E submitted the evidence in dispute, and because of its hearsay nature, the presiding ALJ ruled the materials could not be used as evidence of the need for the project in question. Then the Commission based the approval of the project solely upon that hearsay evidence. (*TURN, supra*, 223 Cal.App.4th at 949.)

Here, in this quasi-legislative proceeding, the Commission based its decision to discontinue the WRAM/MCBA on the voluminous comments submitted by the parties throughout the proceeding and other legislative facts derived from its decade of experience dealing with the WRAM/MCBA. The Decision cites many factors that support the discontinuation of the WRAM/MCBA. For example, it lists actions by the Legislature, the State Water Resources Control Board, and the Commission to achieve conservation; water use reduction mandates by Executive Orders of the Governor; negative customer experiences with WRAM surcharges; and that the WRAM/MCBA adjusts for variances in water sales for factors beyond just reductions caused by conservation. (Decision at p. 69 [Golden State Appx. 346].) The policy determination, in the Rulemaking proceeding, to discontinue the WRAM/MCBA is based on multiple factors and is well supported by the Decision. Therefore, *TURN* is not relevant to this proceeding.

Next, Cal-Am and Golden State claim that there are flaws in the graph provided by Public Advocates Office, so the graph does not support a finding that the M-WRAM is as effective as the WRAM/MCBA in promoting conservation. Therefore, Cal-Am

and Golden State conclude, the Commission failed to establish any valid evidentiary record on this point. (Cal-Am at p. 43, Golden State at pp. 39-40.) This conclusion is inaccurate. Again, Cal-Am and Golden State cite to their comments on the Proposed Decision as evidence to support their argument that there are flaws in Public Advocates Office's graph. As discussed above, new evidence offered in comments on a proposed decision are not part of the record and are accorded no weight. (Cal. Code of Regs., tit. 20, § 14.3 subd. (c).) Additionally, new evidence may not be introduced in the Court's review of this case. (Pub. Util. Code § 1757.1 subd. (c).)

Moreover, Petitioners never disputed the accuracy of the utilities' annual report data submitted to the Commission on which Public Advocates Office relied, nor did they question the accuracy of the calculations Public Advocates Office made to arrive at the data reflected in the graph. Petitioners simply object to the inferences Public Advocates Office made about the data reflected in the graph.

Findings of Fact #15 and #16

Golden State argues there is no evidence to support findings regarding substantial under-collections and intergenerational transfers of costs. However, Golden State erroneously dismisses other parties' comments filed in the Rulemaking's record as cited by the Rehearing Decision at pages 14-15. Instead, Golden State asserts its arguments, provided in comments on the Proposed Decision that are not in the record, disproves the findings in the Decision. (Golden State at p. 43.)

Moreover, the proffered data, which is not record evidence, only addresses two of Golden State's many service areas. However, the Decision considers the WRAM/MCBA mechanism generically for all the service areas of all the WRAM utilities to make its policy determination. The Rehearing Decision sufficiently identifies the basis for the Decision's findings regarding the existence of substantial under-collections and intergenerational transfers of costs, therefore, Golden State's allegation of obfuscation is unfounded. (Rehrg. Dec. at pp. 14-15 [Golden State Appx. 508-509].)

Finding of Fact #19

Cal-Am relies on *California Manufacturers Assn. v. Public Utilities Com.* (1979) 24 Cal.3d 251 and *Camp Meeker Water System, Inc. v. Public Utilities Com.*, *supra*, 51 Cal.3d 845 to support its claim that the Commission commits legal error when it issues a decision which is unsupported by evidence before it. (Cal-Am at p. 38-39.) However, that is not the situation in this proceeding. Cal-Am's petition provides several reasons for its belief that the evidence relied on by the Decision is faulty, however, it fails to provide references to any evidence in the record that contradicts that evidence. (Cal-Am at pp. 39-43.) Cal-Am merely disagrees with the Commission's policy determination. It has not shown legal error.

Cal-Am alleges Finding of Fact #19 is unsupported by the record. Finding of Fact #19 states:

Implementation of a Monterey-Style WRAM means that forecasts of sales become more significant in establishing test year revenues.

This Finding of Fact is supported by Public Advocates Office's comments, which addressed incentives to develop accurate forecasts:

[T]he Public Advocates Office strongly supports the development of forecasts that are as accurate as possible for both revenues and expenses. When revenue variances are tracked in decoupling mechanisms (i.e., Water Revenue Adjustment Mechanisms (WRAMs)), and/or expenses are tracked in balancing and memorandum accounts, it reduces the financial repercussions to the utility of inaccurate forecasts. This, in turn, reduces the utility's incentive to develop accurate forecasts. This can result in misguided attempts by Water IOUs to lower rate increases in General Rate Cases (GRCs) with artificial forecasts that are deliberately inaccurate (e.g. higher adopted sales quantities or lower proposed expenses), with the resulting variances recovered through different mechanisms between GRC cycles that provide for rate increases via a less transparent process.

(Reply Comments of the Public Advocates Office on Administrative Law Judge's Ruling Inviting Comments on Water Division Staff Report and Modifying Proceeding Schedule, July 24, 2019, at p. 2 [Resp. Appx. 015].) Public Advocates Office further addressed the incentive to manipulate forecasts to produce smaller increases in rates:

Utilities should not propose and the Commission should not adopt sales forecasts with any particular rate outcome in mind. Instead of lowering noticed rate impacts with [higher] than reasonable sales forecasts and allowing new mechanisms to "stagger the impact on customers into smaller increments" as suggested by CWA, the water utilities should propose accurate forecasts openly and transparently in GRCs. Customers should not be required to face the

continued uncertainty of stealth rate increases that accompany the operation of existing—much less new—alternative rate mechanisms.

(*Id.* at pp. 2-3 [Resp. Appx. 015-016].)

Cal-Am argues, more specifically, that there is no record to support the claim that eliminating the WRAM/MCBA will provide better incentives to more accurately forecast sales. To support this argument, it alleges that there is no factual or evidentiary support for Public Advocates Office’s statements regarding risks associated with forecasting, on which the Decision relied. (Cal-Am at p. 41.) As discussed above, party comments are the record evidence in rulemaking proceedings. Moreover, Cal-Am cites to no record evidence that contradicts Public Advocates Office’s comments.

Similarly, Cal-Am erroneously argues that there is nothing in the record that addresses whether sales forecasts are more significant with the Monterey-Style WRAM, as stated in Finding of Fact #19. (Cal-Am at p. 41.) Public Advocates Office’s quoted language above stating that when revenue variances are tracked in decoupling mechanisms like the WRAM, it reduces the financial repercussions to the utility of inaccurate forecasts, contradicts Cal-Am’s arguments. Logic dictates when revenue protection for inaccurate forecasts is discontinued, forecasting becomes more significant, both to the utility and the ratepayer.

Conclusion of Law #4

Cal-Am next alleges Conclusion of Law #4 is unsupported by the record. Conclusion of Law #4 states:

Elimination of the WRAM/MCBA will provide better incentives to more accurately forecast sales while still

providing the utility the ability to earn a reasonable rate of return.

Conclusion of Law #4 is based on the language in the Decision on page 18 [Golden State Appx. 296], which reads:

In addition, parties highlighted the reality that drought is the new normal in California and that forecasts need to be more accurate so that WRAMs can be smaller, and that the Monterey-Style WRAM would provide better incentives for parties to more accurately forecast sales while still providing the utility the ability to earn a reasonable rate of return.

This statement is supported by Public Advocates Office's Comments on Phase I Issues, in which it discusses the reduced risk associated with WRAMs:

. . . [W]ith revenue decoupling for water utilities,[fn.] the impact on water utilities of forecast variance is muted since nearly all revenue forecast risk has been transferred from utility investors to ratepayers. As a result of the WRAM decoupling mechanism in California, variance in forecasted revenues manifests not as the normal business risk underpinning rate-of-return regulation but as the perceived cause of large WRAM balances and increased customer surcharges.

By mitigating the consequences of inaccurate sales forecasts, WRAM and other decoupling mechanisms can be reasonably assumed to not only reflect variances in sales forecasts but to exacerbate the actual size of the variance.

(Public Advocates Office Comments on Phase I Issues February 23, 2018, at p. 8 [Cal-Am Appx. 70].) The discussion on increased risk associated with converting WRAMs to M-WRAMs in Southern California Edison's

Comments also support that statement:

In certain situations, implementing a Monterey-Style WRAM with a MCBA may balance the benefits and risks of implementing a conservation rate design more equitably among stakeholders. However, implementing a Monterey-Style WRAM as opposed to a full decoupling WRAM requires shareholders may be required to make up the difference for any shortfalls in authorized revenue not related to the use of a conservation rate design that far exceeds normal business risk. [fn.]

(Southern California Edison Comments on Staff Report, September 16, 2019, at p. 4 [Cal-Am Appx. 97].)

Finally, Cal-Am argues that the Commission's conclusion that utilities will still have the opportunity to earn a reasonable rate of return is contradicted by Cal-Am's experience in Monterey. First, Cal-Am's experience in Monterey is not in the record of this proceeding. More importantly, the Commission did not set rates in the Rulemaking so the Decision does not affect rate of return. In future GRCs of the water utilities, the Commission will make the appropriate changes necessary to provide water utilities the opportunity to earn a reasonable rate of return.

Moreover, Cal-Am provides no citations to the record to support any of these allegations, but refers to language in its comments to the Proposed Decision, which is not part of the evidentiary record.

D. The Commission considered the impact of its decision on conservation and low-income customers.

Golden State and Liberty contend that the Decision violates section 321.1 subdivision (a) by failing to consider the consequences of the Decision on all ratepayers and on low-income customers. Petitioners' claims are unfounded. As discussed below, the Decision addressed the elimination of the WRAM and its effect on ratepayers.

The relevant part of section 321.1 subdivision (a) requires the Commission to assess the consequences of its decisions:

It is the intent of the Legislature that the commission assess the consequences of its decisions, including economic effects . . . as part of each ratemaking, rulemaking, or other proceeding, and that this be accomplished using existing resources and within existing commission structures.

More specifically, Golden State and Liberty argue that nothing in the record addresses how elimination of the WRAM will impact low-income customers. (Golden State at pp. 43-45, Liberty at pp. 38-39.) However, “[t]he plain language of the statute only requires the Commission to ‘assess’ the economic effects of a decision. It does not require the Commission to perform a cost benefit analysis or consider the economic effect of its decision on specific customer groups or competitors.” (*Order Instituting Rulemaking on the Commission’s Own Motion to Establish Consumer Rights and Protection Rules Applicable to All Telecommunications Utilities Rehearing Decision* [D.06-12-042] at pp. 17-18.)

Similarly, Cal Am contends that the Commission erred by failing to consider the consequences of the Decision on rate design, conservation, and low-income customers. Golden State, Liberty, and Cal-Am cite *United States Steel Corporation v. Public Utilities Commission* (1981) 29 Cal.3d 603, 608-609 (*U.S. Steel*) to support this contention. (Golden State at p. 43, Liberty at p. 38, Cal Am at pp. 32, 38.) However, *U.S. Steel* is not on point. In that case, this Court annulled the Commission's decision because the Commission refused to consider the economic effect of authorizing different rates for similar services over similar routes. That decision was the result of a ratesetting proceeding. As discussed above, the challenged Decision in this case came out of a rulemaking proceeding. Here, the Commission requested comments on whether it should consider discontinuing the WRAM/MCBA and the water utilities chose not to put forth any substantive evidence. Now, Cal Am is arguing that the Commission failed to consider evidence it provided in its comments on the Proposed Decision, well after the proceeding was submitted. (Cal Am at pp. 32, 38.) Likewise, Golden State and Liberty allege the Commission failed to consider extra-record evidence. (Golden State at p. 44, Liberty at pp. 38-39.)

It is well established that an agency's duty is to weigh the relevant evidence provided in a proceeding. However, Cal-Am offers nothing to show that the Commission failed to consider all the relevant evidence in this proceeding. For example, it asserts that the Commission failed to consider the potential rate design impacts of eliminating the WRAM and in doing so, the

Commission failed to consider the effect of changed rate design on conservation and low-income customers again citing to its comments on the Proposed Decision, which is not record evidence. (Cal-Am at pp. 33-37.)

Cal-Am's claims are unfounded. The Commission did not set rates in the instant proceeding, therefore, there is no impact on rate design for the Commission to consider. The Commission has considered the material facts and weighed the relevant evidence provided in the record of this proceeding. (Decision at pp. 68-69 [Golden State Appx. 345-346].)

In its consideration of the economic impacts of the Decision, the Commission explains that the appropriate place to address how each utility will provide for conservation and low-income customers, is in the water utilities' individual general rate cases, where rate design can be tailored to the specific circumstances of each district, in the setting of rates. (Decision at p. 68 [Golden State Appx. 345].) CWA's comments, on behalf of the water utilities, reflect a similar opinion:

While the Commission should rightfully strive to set forth general principles and goals for the utilities to achieve in this proceeding, many of the details of implementation are going to depend on the specific circumstances for each utility district and so should be addressed on a district-by-district basis. This will require a careful and nuanced approach.

(Comments of CWA Responding to the Administrative Law Judge's September 4, 2019 Ruling at p. 18 (CWA Appx. 165).)

As stated above, the appropriate place for the Commission to address rate design, on a district-by-district basis, is in a general rate case proceeding in which the Commission sets rates for that specific water utility. Petitioners have failed to show the Commission erred.

E. The Commission properly characterized the proceeding as quasi-legislative.

Cal Water argues that the Commission erroneously mischaracterized the proceeding as quasi-legislative rather than ratesetting, which deprived it of procedural rights available only in ratesetting proceedings.

First, Cal Water claims that eliminating the WRAM is an unlawful ratesetting action, so it was improper for the Commission to categorize the proceeding as quasi-legislative. (Cal Water at p. 40.) Section 1701.1 subsection (d)(1) defines quasi-legislative cases as proceedings that establish policy, including, but not limited to, rulemakings and investigations that may establish rules affecting an entire industry. R.17-06-024 is an order instituting rulemaking proceeding that established rules for the entire water industry. It is not a ratesetting proceeding because the Commission was not setting rates for any specific utility. (Pub. Util. Code § 1701.1 subd. (d)(3).) The discontinuation of the WRAM was a policy decision affecting all water utilities, which will be applied in future rate proceedings. While the ordering paragraph identified the utilities that currently employ the WRAM, the adopted policy is applicable to all water utilities. (R.17-06-024 at p. 19, Ordering Paragraph #7 [Cal Water Appx. 70].)

Further, once the Commission has categorized a proceeding, section 1701.1 subsection (a) states, in relevant part, “the decision as to the nature of the proceeding shall be subject to a request for rehearing within 10 days of the date of that decision or of any subsequent ruling that expands the scope of the proceeding. Only those parties who have requested a rehearing within that time period shall subsequently have standing for judicial review”

As discussed above, the issue was explicitly presented in the September 2019 ALJ Ruling Inviting Comments. At that time CWA, on behalf of the water utilities, filed comments regarding that issue. If Petitioners believed the ALJ had expanded the scope of the proceeding, they had ten days in which to seek rehearing on the original categorization. The parties may not now challenge the categorization of the proceeding.

Next, Cal Water argues that it was denied procedural protections as a result of the improper categorization. (Cal Water at pp. 41-43.) As discussed above, the proceeding was not miscategorized, therefore no procedural protections were denied.

Cal Water next contends that the Commission violated sections 728 and 729 by eliminating the WRAM because it effectively fixed water rates without holding a hearing. (Cal Water at pp. 43-45.) Cal Water’s contention is not correct as the Commission did not fix any water rates. Both section 728 and 729 address the Commission’s authority to fix rates. Cal Water fails to identify any rate that was set during the proceeding.¹³

¹³ Cal Water cites caselaw to show that “these statutory provisions have been construed by the California Supreme Court

Accordingly, Cal Water's related argument that mischaracterization of proceedings is a recurring issue that the Court must address to stem an onslaught of petitions for writ of review challenging future Commission decisions is entirely devoid of merit. It improperly references applications for rehearing that are pending before the Commission that were filed subsequent to the issuance of D.20-08-047, the challenged decision in this case. (Cal Water at pp. 45-46.) The Court should strike this argument and the associated exhibit as Cal Water may not introduce new or additional evidence in its Petition. (Pub. Util. Code § 1757.1 subd. (c).) The issues in those applications for rehearing are not properly before this Court.

VI. CONCLUSION

For the reasons discussed above, each of the petitioners has failed to demonstrate any basis for the Court to grant its writ petition. As a result, the Commission respectfully requests that the Court deny every petition.

as requirements for the Commission to hold hearings prior to the implementation of new rates." (Cal Water at p. 44.) Because rates were not set in this proceeding, these cases are not on point.

January 28, 2022

Respectfully submitted,

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CERTIFICATE OF WORD COUNT

I hereby certify that the foregoing Answer of Respondent is 13,557 words in length. In completing this word count, I relied on the “word count” function of the Microsoft Word program.

Dated: January 28, 2022 By: /s/ DARLENE M. CLARK
DARLENE M. CLARK

**Attachment 3-2:
Executive Order B-37-16**

Executive Department

State of California

EXECUTIVE ORDER B-37-16 MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE

WHEREAS California has suffered through a severe multi-year drought that has threatened the water supplies of communities and residents, devastated agricultural production in many areas, and harmed fish, animals and their environmental habitats; and

WHEREAS Californians responded to the drought by conserving water at unprecedented levels, reducing water use in communities by 23.9% between June 2015 and March 2016 and saving enough water during this period to provide 6.5 million Californians with water for one year; and

WHEREAS severe drought conditions persist in many areas of the state despite recent winter precipitation, with limited drinking water supplies in some communities, diminished water for agricultural production and environmental habitat, and severely-depleted groundwater basins; and

WHEREAS drought conditions may persist in some parts of the state into 2017 and beyond, as warmer winter temperatures driven by climate change reduce water supply held in mountain snowpack and result in drier soil conditions; and

WHEREAS these ongoing drought conditions and our changing climate require California to move beyond temporary emergency drought measures and adopt permanent changes to use water more wisely and to prepare for more frequent and persistent periods of limited water supply; and

WHEREAS increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change; and

WHEREAS these activities are prioritized in the California Water Action Plan, which calls for concrete, measurable actions that "Make Conservation a California Way of Life" and "Manage and Prepare for Dry Periods" in order to improve use of water in our state.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, in particular California Government Code sections 8567 and 8571, do hereby issue this Executive Order, effective immediately.

IT IS HEREBY ORDERED THAT:

The orders and provisions contained in my January 17, 2014 Emergency Proclamation, my April 25, 2014 Emergency Proclamation, Executive Orders B-26-14, B-28-14, B-29-15, and B-36-15 remain in full force and in effect except as modified herein.

State agencies shall update temporary emergency water restrictions and transition to permanent, long-term improvements in water use by taking the following actions.

USE WATER MORE WISELY

1. The State Water Resources Control Board (Water Board) shall, as soon as practicable, adjust emergency water conservation regulations through the end of January 2017 in recognition of the differing water supply conditions across the state. To prepare for the possibility of another dry winter, the Water Board shall also develop, by January 2017, a proposal to achieve a mandatory reduction in potable urban water usage that builds off of the mandatory 25% reduction called for in Executive Order B-29-15 and lessons learned through 2016.
2. The Department of Water Resources (Department) shall work with the Water Board to develop new water use targets as part of a permanent framework for urban water agencies. These new water use targets shall build upon the existing state law requirements that the state achieve a 20% reduction in urban water usage by 2020. (Senate Bill No. 7 (7th Extraordinary Session, 2009-2010).) These water use targets shall be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements, and shall be based on strengthened standards for:
 - a. Indoor residential per capita water use;
 - b. Outdoor irrigation, in a manner that incorporates landscape area, local climate, and new satellite imagery data;
 - c. Commercial, industrial, and institutional water use; and
 - d. Water lost through leaks.

The Department and Water Board shall consult with urban water suppliers, local governments, environmental groups, and other partners to develop these water use targets and shall publicly issue a proposed draft framework by January 10, 2017.

3. The Department and the Water Board shall permanently require urban water suppliers to issue a monthly report on their water usage, amount of conservation achieved, and any enforcement efforts.

ELIMINATE WATER WASTE

4. The Water Board shall permanently prohibit practices that waste potable water, such as:
 - Hosing off sidewalks, driveways and other hardscapes;
 - Washing automobiles with hoses not equipped with a shut-off nozzle;
 - Using non-recirculated water in a fountain or other decorative water feature;
 - Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation; and
 - Irrigating ornamental turf on public street medians.
5. The Water Board and the Department shall direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses.
6. The Water Board and the Department shall direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce water waste. The California Public Utilities Commission shall order investor-owned water utilities to accelerate work to minimize leaks.
7. The California Energy Commission shall certify innovative water conservation and water loss detection and control technologies that also increase energy efficiency.

STRENGTHEN LOCAL DROUGHT RESILIENCE

8. The Department shall strengthen requirements for urban Water Shortage Contingency Plans, which urban water agencies are required to maintain. These updated requirements shall include adequate actions to respond to droughts lasting at least five years, as well as more frequent and severe periods of drought. While remaining customized according to local conditions, the updated requirements shall also create common statewide standards so that these plans can be quickly utilized during this and any future droughts.
9. The Department shall consult with urban water suppliers, local governments, environmental groups, and other partners to update requirements for Water Shortage Contingency Plans. The updated draft requirements shall be publicly released by January 10, 2017.

10. For areas not covered by a Water Shortage Contingency Plan, the Department shall work with counties to facilitate improved drought planning for small water suppliers and rural communities.

IMPROVE AGRICULTURAL WATER USE EFFICIENCY AND DROUGHT PLANNING

11. The Department shall work with the California Department of Food and Agriculture to update existing requirements for Agricultural Water Management Plans to ensure that these plans identify and quantify measures to increase water efficiency in their service area and to adequately plan for periods of limited water supply.
12. The Department shall permanently require the completion of Agricultural Water Management Plans by water suppliers with over 10,000 irrigated acres of land.
13. The Department, together with the California Department of Food and Agriculture, shall consult with agricultural water suppliers, local governments, agricultural producers, environmental groups, and other partners to update requirements for Agricultural Water Management Plans. The updated draft requirements shall be publicly released by January 10, 2017.

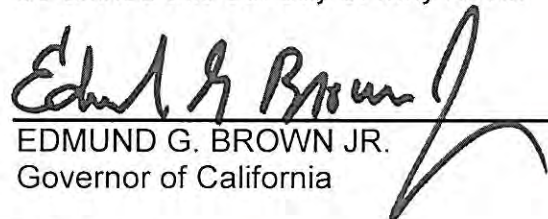
The Department, Water Board and California Public Utilities Commission shall develop methods to ensure compliance with the provisions of this Executive Order, including technical and financial assistance, agency oversight, and, if necessary, enforcement action by the Water Board to address non-compliant water suppliers.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this order.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 9th day of May 2016.


EDMUND G. BROWN JR.
Governor of California

ATTEST:


ALEX PADILLA
Secretary of State

Attachment 3-3:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q4b 027-CR PW CEMA COVID 2023.12.31,
and Q4a 027-CR AV CEMA COVID
2023.12.31

Liberty Park Water
General Ledger Transactions Detail

Document	Document Number	Document Company	GL Date	Actual Amount	Post Status	Business Unit	Object Account	Subsidiary	Description
PV	305587	04100	3/1/2020	6,390.95	Posted	1122	7762	9301	Suppl/Parts-Inst/Cust Comm
JE	332173	01100	4/30/2020	1,397.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332262	01000	4/30/2020	(1,397.00)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	306207	01100	5/1/2020	4,897.00	Posted	1122	7200	16	Public Relations Consulting
PV	306417	01100	5/1/2020	5,845.00	Posted	1110	7717	903	Oth-Cust Acct Rec/Coll
JE	332173	01100	5/1/2020	(1,397.00)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332262	01000	5/1/2020	1,397.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	306692	01100	6/1/2020	629.08	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	306693	01100	6/1/2020	862.79	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307345	01100	6/1/2020	1,117.88	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307347	01100	6/3/2020	635.82	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307502	01100	6/3/2020	4,037.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307486	01100	6/23/2020	500.00	Posted	1119	7714	932	Equip Mt-General Plant
JE	332682	01000	6/30/2020	(1,117.88)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	6/30/2020	(4,037.00)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	6/30/2020	(635.82)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	6/30/2020	(862.79)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	6/30/2020	(629.08)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307792	01100	7/1/2020	14,572.50	Posted	1110	7717	903	Oth-Cust Acct Rec/Coll
JE	332682	01000	7/1/2020	1,117.88	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	7/1/2020	4,037.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	7/1/2020	635.82	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	7/1/2020	862.79	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332682	01000	7/1/2020	629.08	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307671	01100	7/1/2020	1,750.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307791	01100	7/1/2020	878.90	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	307834	01100	7/1/2020	87.96	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	308078	01100	7/1/2020	197.91	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	308093	01100	7/1/2020	983.07	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	308100	01100	7/16/2020	791.61	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332810	01000	7/31/2020	5,196.18	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(1,117.88)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(791.61)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(878.90)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(1,750.00)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(4,037.00)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(635.82)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(1,268.94)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(862.79)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(629.08)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	7/31/2020	(5,196.18)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	308535	01100	8/1/2020	3,400.00	Posted	1101	7095	3	Postemployment Costs
PV	308374	01100	8/1/2020	14,675.00	Posted	1110	7717	903	Oth-Cust Acct Rec/Coll
PV	308588	01100	8/1/2020	698.61	Posted	1112	7780		Uniforms
JE	332810	01000	8/1/2020	(5,196.18)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	1,117.88	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	791.61	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	878.90	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	1,750.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	4,037.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	635.82	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	1,268.94	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	862.79	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	629.08	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	332901	04100	8/1/2020	5,196.18	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	308874	01100	9/1/2020	300.00	Posted	1119	7714	932	Equip Mt-General Plant
PV	309049	01100	9/4/2020	446.11	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	309420	01100	10/1/2020	3,157.50	Posted	1110	7717	903	Oth-Cust Acct Rec/Coll
PV	309789	01100	10/25/2020	157.54	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	309789	01100	10/25/2020	99.21	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310025	01100	11/1/2020	277.35	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310205	01100	12/1/2020	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310206	01100	12/1/2020	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310257	01100	12/1/2020	522.50	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl

Liberty Park Water
 General Ledger Transactions Detail

Document	Document Number	Document Company	GL Date	Actual Amount	Post Status	Business Unit	Object Account	Subsidiary	Description
JE	339925	01000	12/30/2020	31,627.20	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	339925	01000	1/1/2021	(31,627.20)	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310628	01100	1/1/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310628	01100	1/1/2021	60.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310629	01100	1/1/2021	160.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	310630	01100	1/1/2021	150.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	311282	01100	2/1/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	311272	01100	2/6/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
JE	340568	04100	3/27/2021	31,627.20	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	312113	01100	4/3/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	312788	01100	5/1/2021	98.97	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	312788	01100	5/1/2021	130.65	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	312788	01100	5/1/2021	156.66	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	312684	01100	5/8/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	313345	01100	6/10/2021	510.40	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	313226	01100	6/12/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	314154	01100	7/17/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	314748	01100	8/14/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	315640	01100	10/2/2021	300.00	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl
PV	317688	01100	2/1/2022	158.40	Posted	1112	8302	965	Parts & Suppl-Tools/Wk Cl

104,263.57

Attachment 3-4:

Liberty's Response to Cal DR 009-KN, Q1.b.



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

February 26, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 009-KN (O&M Expenses)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Katherine Nguyen Katherine.Nguyen@cpuc.ca.gov
Date Received: February 16, 2024
Due Date: February 26, 2024

REQUEST NO. 1:

Refer to PW Expense and AVR Expense Tab "ExpenseDetail. Within the Expense excel files, Liberty added "Remove COVID Related Expenses" to some accounts in the year 2020.

- a. For the accounts listed below, please give an itemized list of the removed expenses in excel format and include a detailed description of each
 - i. Uniforms, Oth-Cust Acct Rec/Coll, Equip Mt-General Plant, Parts & Suppl-Tools/Wk Cl.

- b. Please provide detailed support to substantiate Liberty Park's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) Please see the attachments with preface Q1a-b, tab "Sum" for the itemized list of removed expenses and cells where the adjustments are being made. Please note the formula errors (tab "Sum", column J) indicated for Liberty Apple Valley—formulas need to be corrected reflecting the adjustments. For a detailed description of each expense item, please see tab "GL", Columns L and P.
- b) In response to the COVID-19 pandemic, the Commission authorized a Catastrophic Event Memorandum "CEMA", effective March 4, 2020, for Liberty Apple Valley and Liberty Park Water, Advice Letters (AL) 239-W and 297-W respectively. The purpose of the CEMA is to track the loss revenues and costs associated with that event. In accordance with D.21-07-029 (R17-06-024), the CEMA was terminated on February 1, 2022. The costs (customer communications, credit card fees, office disinfecting, related supplies, such as masks, hand sanitizers, wipes, etc.) associated with the COVID pandemic are tracked in the CEMA. As such, the expenses listed in response to Question 1a are removed for forecasting purposes.

REQUEST NO. 2:

Refer to PW Expense Excel Object Account 7717 Subsidiary 663. **"Oth-T&D Op Meter Exp":**

- a. Please explain in detail what the line item entails.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2019 (\$372,060.66 for 2018 and \$186,607.42 for 2019).
- c. Please provide the average age of Liberty Park meters and its replacement rates.
- d. Please explain how Liberty Park calculates the average age of its meters and the replacement rates.
- e. Please provide detailed support to substantiate Liberty Park's responses from 2a. to 2d. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact

RESPONSE:

- a) This expense account primarily contained outside contractors' costs Liberty utilizes to assist with meter replacements.
- b) Please see the attachment with preface Q2b for the 2018 and 2019 general ledger transactions detail.
- c) The average age of the meters as of December 31, 2022 was five years. Please see the attachment with preface Q1c for the development of the average age of the meters.
- d) As indicated in Chapter VI of Exhibit B, Liberty Park needs to continue replacing meters (9% annually) to keep up with meter aging and battery failure rates. As such, Liberty Park anticipates, based on a 5-year escalated recorded average (2018 through 2022), a need for outside contractors for the test year to assist with its meter replacement program, especially for large meter replacements.

REQUEST NO. 3:

Refer to PW Expense Park object account 7717 Subsidiary 677. **"Oth-T&D Mt Hydrants"**

- a. Please explain in detail what the line item entails.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2022 (\$25,199.77 for 2018 and \$4,820.34 for 2022).
- c. Please provide the average age of Park hydrants and their replacement rates.
- d. Please explain how Liberty Park calculates the average age of its meters and the replacement rates.
- e. Please provide detailed support to substantiate Liberty Park's responses above. This includes but is not limited to internal communications and memorandums vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) This expense account primarily contained hydrant maintenance costs, including replacing, repairing, painting, and related supplies costs.
- b) Please see the response to 3e.
- c) The average age of the hydrants as of December 31, 2022 was about 30.
- d) Please see the attachment with preface Q3d.
- e) Liberty exercises the fire hydrants in its water systems at least once every three years. The

exercise program identifies hydrants that need to be replaced or repaired. As such, Liberty Park's estimate of the hydrant maintenance, based on a five-year average (2018 through 2022), is reasonable.

REQUEST NO. 4:

Refer to PW Expense Park object account 7716 Subsidiary 932 and Q10 SIB-001 PW Expenses 2018-2022. **"Paint/Coat-General Plant"**:

- a. Please provide a detailed explanation for the expenditures for the year 2018.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 (\$36,166 in 2018).
- c. Does Liberty Park have any forecasted projects for Paint/Coat-General Plant that Liberty Park will be performing during the projected years?
- d. Please provide detailed support to substantiate Liberty Park's responses from 4a. to 4c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) This expense account contained costs associated with painting of the office building.
- b) Please see the attachment with preface Q4b.
- c) Painting property is not classified as a capital improvement and thus is expensed rather than capitalized. Consequently, this expenditure is not contingent upon capital projects. Occasional minor painting of both interior and exterior surfaces may be necessary. Therefore, Liberty's estimation of this expense account using a 5-year average is reasonable.
- d) Please see the response to 4a through 4c.

REQUEST NO. 5:

Refer to PW Expense Park object account 7717 Subsidiary 665 and Q10 SIB-001 PW Expenses 2018-2022. **"Temp Labor-T&D Misc Expense"**:

- a. Please provide a detailed explanation for the expenditures for the year 2018.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 (\$27,579 in 2018).

- c. Did Liberty Park hire outside services for the "Temp Labor-T&D Misc Expense" for the historical years (2018 to 2022)?
- d. Does Liberty Park plan on hiring outside services for the "Temp Labor-T&D Misc Expense" for the projected years (2023 to 2028)?
 - i. If yes, please provide a list of consultants and/or vendors related to the listed items. For each of the vendors/consultants, did Liberty issue a Request for Proposal?
 - ii. If Liberty issued a Request for Proposal, indicate the number of bids received for each service listed. Provide the Request for Proposal. If not, please explain why not?
 - iii. Please provide the bid responses that Liberty received.
 - iv. Please provide copies of any all fully executed contracts, including Amendments or other documents that modify the original contract.
- e. Please provide detailed support to substantiate Liberty Park's responses 5a. to 5d. (including 5.d.i to 5.d.iii) above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Liberty is unable to determine which expense account this is. The referenced account description and 2018 amount (\$27,579) are inconsistent with Account Number 7717.665. Please verify what the expense line item should be.

REQUEST NO. 6:

Please refer to Liberty AVR's "Equip Maint-T&D Mt Mains" Object Account 7714 Subsidiary 673:

- a. Please explain in detail the line item.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2020 (\$145,109.77 for 2018 \$182,968.17 for 2020).
- c. Please provide the average life-time of the maintenance equipment.
- d. Please provide detailed support to substantiate Liberty Park's responses from 6a. to 6c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) This expense account primarily contained outside service contractor costs associated with maintenance of the water system valves. Liberty exercises its water system valves and fire hydrant valves in accordance with General Order 103-A. Liberty's valves exercise program is essential to maintaining a safe and reliable water system. Fully functioning valves help mitigate service interruptions and damage due to leaks. Liberty utilizes ACV Systems and High Desert Underground to perform its valve maintenance program.
- b) Please see the attachment with preface Question 6b for the general ledger transactions detail for years 2018 and 2020.
- c) The average age of valves is not available. In addition, exercising of valves is not dependent on the age of the valves, but rather in compliance with the GO 103-A.
- d) Please see response to 6a-6c.

REQUEST NO. 7:

Please refer to Liberty Park's "PR Burden-Stores CI" Object Account 8101 Subsidiary 963:

- a. Please explain in detail what the line item entails and the account's necessity.
- b. Please provide a detailed explanation for the expenditures between the years 2018 to 2022.
- c. Please provide a detailed line-item breakdown of the recorded costs for 2020 (\$17,616 for 2020).
- d. Please provide detailed support to substantiate Liberty Park's responses from 7a. to 7c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) The Stores Expenses-Clearing include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general storerooms, including purchasing, storage handling and distribution of materials and supplies. The PR Burden- Stores CI are payroll charged related to inventory as a percentage (15%) of all items issued from inventory.
- b) Please see response to Question 1a.
- c) Please see response to Question 1d.
- d) Please see the attachments with preface Q7d for the general ledger transactions detail for years 2018 through 2022 and 2022 burdens rates.

REQUEST NO. 8:

Please refer to Liberty Park's "**PR Burden-Trans CI**" Object Account 8101 Subsidiary 964:

- a. Please explain in detail the years between 2019 (\$72,128) and 2022 (\$11,744).
- b. Please provide the cost per unit quantity where possible for the years 2018 and 2022.
- c. Please provide detailed support to substantiate the responses from 8a. and 8b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) Please note that the expense account number should be 8201.964. The transportation expenses-clearing include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general transportation equipment of the utility including direct taxes and depreciation on transportation equipment. When internal payroll is charged to the transportation clearing account, the associated payroll burdens (payroll taxes, workers' compensation insurance, and benefits) would follow that payroll. The burdens rates are calculated annually using the prior year's recorded payroll and expenses. The payroll burdens rates are calculated by dividing the various expense categories by the salaries based on payroll hours worked, excluding paid time off. Please see the attachment provided in response to Question 7d "Q7d 2022 CB Burdens CONFIDENTIAL", tab "2022 Rates", cells A16:D21 for the development of rates used in 2022. The rates shown in cells D15, D17, and D19 are used to record the associated burdens for this expense account (Account No. 8201.964 PR Burden-Trans CI). The same methodology was used for years 2018 through 2022.
- b) Please see response to 8a.
- c) Please see response to 8a. Also see the attachment with preface Q8c for the general ledger transactions detail for years 2018 through 2022.

REQUEST NO. 9:

Refer to PW Expense Park object account 8302 Subsidiary 965. "**Parts & Suppl-Tools/Wk CI**":

- a. In 2020, Liberty Park expense totaled \$83,901 (following removal of Covid-19 expenses). Please provide a detailed explanation for the expense.

- b. Please provide detailed support to substantiate the responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a. A total amount of \$45,755 associated with the COVID costs was inadvertently not included in the CEMA; therefore, not removed from test year forecast. Liberty proposes this amount should be removed from forecast and should be included in CEMA for recovery.
- b. Please see the attachment with preface 9b for the general ledger transactions detail. The amount associated with the COVID costs are highlighted yellow.

REQUEST NO. 10:

Refer to PW Expense Excel Tab Expense Detail Object Account 6190 **“Chemicals”** and Object Account 6150 **“Purchased Power”**.

- a. Liberty Park does not anticipate production during the test year for well 4B, 40B, 40D, 41A, and 46C. Does Liberty Park anticipate savings in purchased chemicals, power, and other production costs for wells that are not active?
 - i. Please show how the savings are reflected in the RO model?
- b. Please provide a schedule detailing chemical purchased per category for purchased water and pumped water for the years 2020 to 2022.

	2020	2021	2022
Cost of Chemical (\$)			
Total Chemical Purchased (Quantity Unit)			
Purchased Water (AF)			
Pumped Water (AF)			

- c. Please provide detailed support to substantiate Liberty Park's responses from 10a. to 10b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any

calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Cal Advocates granted an extension until March 6, 2024.

REQUEST NO. 11:

Please refer to the following references regarding AVR and Park's Business Policy Insurance to respond to the following questions: Excel Workpaper PW25/AV25 Expenses, tab "Expense Detail", Row 451 to 462 and AV25/PW25 Insurance.

- a. Please provide the 2024 bill please provide a copy of the previous invoices.
- b. AV25/PW25 Insurance, tab "Insurance" Column K to M. 2024, 2025 and 2026 liberty proposed Please explain how Liberty calculated these factors and provide documentation to substantiate any of the methodology.

DESCRIPTION	PREMIUM	FROM	TO	2024	2025	2026	2024	2025	2026
FM Prop US LU Hydro	198,732	10/1/2023	10/1/2024	228,542	251,396	276,536	15%	10%	10%

- c. Describe AVR and Park's earthquake insurance coverage. Include documents from the insurance provider showing the details of the premiums and any classifications of different assets.
- d. For the year 2021, provide Earthquake Insurance Coverage invoices and payment receipts.
- e. For the year 2021, provide Excess CA Earthquake Insurance Coverage invoices and payment receipts.
- f. Does AVR and Park's Property insurance include earthquake coverage and "Excess" earthquake coverage? Provide documentation from the property insurance provider regarding any earthquake coverage and excess earthquake coverage.
- g. Refer to Excel File AV25 Insurance, Row 38 and PW25 Insurance, Row 39? Please provide the full "Property Insurance" policy, including any applicable insurance endorsements, referenced by Liberty Utilities. Coverage periods should be discoverable within the insurance policy.
- h. Refer to "Commercial Property Coverage" costs and forecasted budgets listed in AV25 Insurance, Row 37? Please provide the full "Commercial Property Insurance" policy, including any applicable insurance endorsements. Coverage periods should be discoverable

within the insurance policy.

- i. Please provide detailed support to substantiate Liberty Park and AVR's responses from 11a. to 11h. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Cal Advocates granted an extension until March 6, 2024.

REQUEST NO. 12:

Please refer to Park and AVR's Regulatory Expenses costs and forecasted budgets to respond to the following questions:

- a. In the AVR and Park's excel file "Reg Exp, Cell B17 and C17", please provide a detailed explanation of the expense related to the Water Use Efficiency Plan Updates.
 - i. Why are the Water Use Efficiency Plan Updates included in the regulatory expenses forecast budget and not the Conservation forecast budget Account 7717 Subsidiary 908? Please explain in detail.
- b. Please refer to excel files AV25 Expense and PW25 Expense, Object Account 7540 Subsidiary 797 "Reg. Comm. Expense":
 - i. Please provide a detailed list of expenses under "Accrual of Rate Case Costs" for the years 2018 to 2022.
 - ii. Please provide a detailed explanation of the services provided for each of the expense items listed in b.i. above.
 - iii. Please provide a list of consultants and/or vendors related to the listed items. For each of the vendors/consultants, did Liberty issue a Request for Proposal for the current rate case?
 - I. If Liberty issued a Request for Proposal, indicate the number of companies Liberty solicited bids from and the number of bids received for each service listed. Provide the Request for Proposal. If not, please explain why not?
 - II. Please provide the bid responses that Liberty received.
 - III. Please provide copies of any fully executed contracts that originated from an RFP, if

applicable.

- c. Please provide detailed documentation and support to substantiate Liberty Park and AVR's responses to questions 12.a. to 12.b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Cal Advocates granted an extension until March 6, 2024.

This completes the partial response to Data Request No. 009-KN. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Attachment 3-5:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q4b 027-CR AV CEMA COVID 2023.12.31

**Liberty Apple Valley
Catastrophic Event Memorandum Account (CEMA)
COVID-19**

	(Over)/Under Collections	Interest Rate	Monthly Interest	Ending Balance
Beginning Balance <u>1/1/2020</u>				\$0.00
January		1.58%	\$0.00	\$0.00
February		1.56%	\$0.00	\$0.00
March	-	1.44%	\$0.00	\$0.00
April	-	0.98%	\$0.00	\$0.00
May	-	0.28%	\$0.00	\$0.00
June	-	0.18%	\$0.00	\$0.00
July	0.00	0.14%	\$0.00	\$0.00
August	35,058.75	0.12%	\$1.75	\$35,060.50
September	568.03	0.12%	\$3.53	\$35,632.07
October	2,152.50	0.11%	\$3.37	\$37,787.93
November	186.42	0.13%	\$4.10	\$37,978.46
December	20,897.79	0.13%	\$5.25	\$58,881.49
TOTAL 2020	\$58,863.49		\$18.00	
Beginning Balance <u>1/1/2021</u>				\$58,881.49
January	(20,001.40)	0.10%	\$4.07	\$38,884.16
February	250.00	0.08%	\$2.60	\$39,136.76
March	20,276.40	0.08%	\$3.29	\$59,416.45
April	150.00	0.06%	\$2.97	\$59,569.42
May	125.00	0.05%	\$2.48	\$59,696.91
June	125.00	0.05%	\$2.49	\$59,824.40
July	125.00	0.06%	\$2.99	\$59,952.39
August	-	0.06%	\$3.00	\$59,955.39
September	250.00	0.06%	\$3.00	\$60,208.39
October	125.00	0.06%	\$3.01	\$60,336.41
November	-	0.08%	\$4.02	\$60,340.43
December	250.00	0.13%	\$6.55	\$60,596.98
TOTAL 2021	\$1,675.00		\$40.49	
Beginning Balance <u>1/1/2022</u>				\$60,596.98
January	125.00	0.15%	\$7.58	\$60,729.56
February	125.00	0.21%	\$10.64	\$60,865.20
March		0.63%	\$31.96	\$60,897.16
April		0.87%	\$44.16	\$60,941.32
May		1.08%	\$54.87	\$60,996.19
June		1.07%	\$54.41	\$61,050.60
July		2.44%	\$124.19	\$61,174.79
August		2.57%	\$131.15	\$61,305.94
September		2.57%	\$131.44	\$61,437.38
October		3.81%	\$195.27	\$61,632.65
November		4.25%	\$218.63	\$61,851.28
December		4.45%	\$229.77	\$62,081.05
TOTAL 2022	\$250.00		\$1,234.07	

**Liberty Apple Valley
Catastrophic Event Memorandum Account (CEMA)
COVID-19**

	(Over)/Under Collections	Interest Rate	Monthly Interest	Ending Balance
Beginning Balance <u>1/1/2023</u>				\$62,081.05
January		4.56%	\$235.91	\$62,316.96
February		4.71%	\$245.06	\$62,562.02
March		4.86%	\$253.87	\$62,815.89
April		4.88%	\$255.97	\$63,071.86
May		5.10%	\$268.60	\$63,340.45
June		5.20%	\$275.06	\$63,615.51
July		5.20%	\$276.26	\$63,891.77
August		5.34%	\$284.93	\$64,176.71
September		5.34%	\$286.22	\$64,462.93
October		5.38%	\$289.65	\$64,752.58
November		5.38%	\$290.96	\$65,043.54
December		5.36%	\$291.18	\$65,334.71
TOTAL 2023	\$0.00		\$3,253.66	

() Brackets indicate overcollections

Attachment 3-6:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q4b 027-CR PW CEMA COVID 2023.12.31

Liberty Park Water
Catastrophic Event Memorandum Account (CEMA)
COVID-19

	(Over)/Under Collections	Interest Rate	Monthly Interest	Ending Balance
Beginning Balance <u>1/1/2020</u>				\$0.00
January		1.58%	\$0.00	\$0.00
February		1.56%	\$0.00	\$0.00
March	6,390.95	1.44%	\$3.83	\$6,394.78
April	-	0.98%	\$5.22	\$6,400.01
May	10,742.00	0.28%	\$2.75	\$17,144.76
June	500.00	0.18%	\$2.61	\$17,647.37
July	14,572.50	0.14%	\$2.91	\$32,222.77
August	30,745.63	0.12%	\$4.76	\$62,973.16
September	746.11	0.12%	\$6.33	\$63,725.61
October	3,414.25	0.11%	\$6.00	\$67,145.86
November	277.35	0.13%	\$7.29	\$67,430.50
December	32,749.70	0.13%	\$9.08	\$100,189.28
TOTAL 2020	\$100,138.49		\$50.79	
Beginning Balance <u>1/1/2021</u>				\$100,189.28
January	(30,957.20)	0.10%	\$7.06	\$69,239.14
February	600.00	0.08%	\$4.64	\$69,843.77
March	31,627.20	0.08%	\$5.71	\$101,476.68
April	300.00	0.06%	\$5.08	\$101,781.76
May	686.28	0.05%	\$4.26	\$102,472.30
June	810.40	0.05%	\$4.29	\$103,286.99
July	300.00	0.06%	\$5.17	\$103,592.16
August	300.00	0.06%	\$5.19	\$103,897.35
September	-	0.06%	\$5.19	\$103,902.54
October	300.00	0.06%	\$5.20	\$104,207.74
November	-	0.08%	\$6.95	\$104,214.69
December	0.00	0.13%	\$11.29	\$104,225.98
TOTAL 2021	\$3,966.68		\$70.02	
Beginning Balance <u>1/1/2022</u>				\$104,225.98
January		0.15%	\$13.03	\$104,239.01
February	158.40	0.21%	\$18.26	\$104,415.67
March		0.63%	\$54.82	\$104,470.49
April		0.87%	\$75.76	\$104,546.25
May		1.08%	\$94.13	\$104,640.38
June		1.07%	\$93.35	\$104,733.72
July		2.44%	\$213.05	\$104,946.78
August		2.57%	\$224.99	\$105,171.77
September		2.57%	\$225.48	\$105,397.25
October		3.81%	\$334.99	\$105,732.24
November		4.25%	\$375.06	\$106,107.31
December		4.45%	\$394.18	\$106,501.48
TOTAL 2022	\$158.40		\$2,117.10	

**Liberty Park Water
Catastrophic Event Memorandum Account (CEMA)
COVID-19**

	(Over)/Under Collections	Interest Rate	Monthly Interest	Ending Balance
Beginning Balance <u>1/1/2023</u>				\$106,501.48
January		4.56%	\$404.71	\$106,906.19
February		4.71%	\$420.40	\$107,326.59
March		4.86%	\$435.52	\$107,762.12
April		4.88%	\$439.12	\$108,201.24
May		5.10%	\$460.79	\$108,662.02
June		5.20%	\$471.87	\$109,133.89
July		5.20%	\$473.94	\$109,607.83
August		5.34%	\$488.81	\$110,096.64
September		5.34%	\$491.02	\$110,587.65
October		5.38%	\$0.05	\$110,587.71
November		5.38%	\$0.05	\$110,587.76
December		5.36%	\$0.05	\$110,587.82
TOTAL 2023	\$0.00		\$4,086.33	

D.21-07-029 (R17-06-024) extended customer protections through February 1, 2022.

() Brackets indicate overcollections

Attachment 3-7:
California Extended Water and
Wastewater Arrearage Payment Program
Current List of Applicants and Application
Review States (as of 2/2/2024)



California Extended Water and Wastewater Arrearage Payment Program

Current List of Applications and Application Review Status (as of 2/1/2024)

The following table lists the applications submitted by community water systems, wastewater systems, and wastewater billing entities for the Extended Water and Wastewater Arrearage Payment Program (Program) for water and wastewater arrearages. The table lists the status of the review of the application by Program staff.

The application period for the Program ran from November 1, 2023, through December 31, 2023. Late applications were accepted through January 31, 2024. All eligible Applicants will receive 100% of the eligible amount requested, as the total amount requested in the applications is less than the total amount of available funds for the Program. Disbursement of funds has begun and will be completed within the following months.

If you have submitted an application for the Program, but do not see your entity on this list, please contact Program staff at DFA-WaterArrearages@waterboards.ca.gov to ensure your application was received.

Customers of water and wastewater systems cannot individually apply for this Program, however, are encouraged to contact their water and wastewater systems to request that they apply.

Applicant Name	Date Application Received	Total Funding Request	Application Review Status
Alameda Water District	12/20/2023	\$1,132.06	In Review
Alisal Water Corporation	12/18/2023	\$1,174,380.00	In Review
Amador Water Agency	12/22/2023	\$50,841.47	In Review
Beaumont-Cherry Valley WD	12/27/2023	\$1,547.74	Disbursement
Big Basin Water Company, Inc.	1/31/2024	\$146,576.07	In Review
Burney Water District	12/28/2023	\$14,373.88	Review Completed
Cabazon Water District	11/30/2023	\$16,777.76	Disbursement
California - American Water Co	12/19/2023	\$8,335,012.33	Disbursement
California Utilities Service, Inc.	11/2/2023	\$357,275.09	Disbursement
California Water Service Company	11/13/2023	\$83,038,813.62	Review Completed
Camptonville CSD	12/16/2023	\$8,552.72	Disbursement
Carmickey Water District	1/3/2024	\$5,558.15	In Review

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Applicant Name	Date Application Received	Total Funding Request	Application Review Status
Cazadero Water Company	12/28/2023	\$21,169.74	Disbursement
Citrus Heights Water District	12/7/2023	\$75,046.79	Disbursement
City And County Of San Francisco	12/21/2023	\$23,368,920.23	In Review
City Of Alhambra	11/30/2023	\$98,360.46	In Review
City Of American Canyon	12/19/2023	\$38,103.14	In Review
City Of Anaheim	12/21/2023	\$325,288.00	In Review
City Of Angels	12/1/2023	\$29,552.19	Disbursement
City Of Arcata	12/20/2023	\$325,293.19	In Review
City Of Arroyo Grande	11/9/2023	\$22,398.86	In Review
City Of Atwater	12/19/2023	\$494,687.77	In Review
City Of Banning	12/12/2023	\$536,268.02	In Review
City Of Benicia	12/11/2023	\$1,829,452.00	In Review
City Of Beverly Hills	12/21/2023	\$1,215,117.98	In Review
City Of Blythe	12/28/2023	\$48,466.65	In Review
City Of Brentwood	12/5/2023	\$155,947.72	In Review
City Of Buellton	11/14/2023	\$2,936.10	In Review
City Of Burbank	12/26/2023	\$1,186,617.28	In Review
City Of Calexico	1/31/2024	\$311,861.61	In Review
City Of Chino	12/21/2023	\$241,324.30	Review Completed
City Of Chino Hills	12/7/2023	\$76,802.24	In Review
City Of Chula Vista	12/13/2023	\$709,736.05	In Review
City Of Clovis	12/27/2023	\$328,676.87	In Review
City Of Coalinga	12/28/2023	\$109,410.01	Disbursement
City Of Corcoran	12/8/2023	\$168,416.26	In Review
City Of Corona	12/26/2023	\$1,596,260.68	In Review
City Of Covina	12/20/2023	\$27,357.20	In Review
City Of Crescent City	12/27/2023	\$202,861.25	In Review
City Of Daly City	12/21/2023	\$431,188.50	In Review
City Of Delano	12/22/2023	\$659,513.05	Disbursement
City Of Dinuba	1/31/2024	\$6,337.91	In Review
City Of Dos Palos	12/12/2023	\$29,770.01	Disbursement
City Of Downey	12/21/2023	\$15,307.89	Disbursement
City Of El Cajon	12/20/2023	\$382,633.47	Disbursement
City Of El Centro	12/29/2023	\$112,887.47	In Review
City Of El Paso De Robles	12/7/2023	\$147,359.84	In Review
City Of Escalon	11/14/2023	\$7,702.09	Disbursement
City Of Eureka	12/29/2023	\$1,047,474.00	In Review
City Of Fairfield	1/12/2024	\$406,616.04	In Review
City Of Fillmore	12/28/2023	\$28,998.65	Disbursement
City Of Fountain Valley	11/2/2023	\$90,539.75	Review Completed

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Applicant Name	Date Application Received	Total Funding Request	Application Review Status
City Of Fowler	12/18/2023	\$9,264.58	In Review
City Of Fresno	12/22/2023	\$7,992,940.51	Disbursement
City Of Garden Grove	12/4/2023	\$49,270.16	In Review
City Of Glendale	12/12/2023	\$611,465.77	Disbursement
City Of Greenfield	12/20/2023	\$45,371.23	Disbursement
City Of Hayward	12/20/2023	\$1,514,975.36	In Review
City Of Healdsburg	12/21/2023	\$39,520.25	Disbursement
City Of Hollister	1/31/2024	\$1,857,398.55	In Review
City Of Huntington Park	12/21/2023	\$99,184.11	In Review
City Of Kerman	12/1/2023	\$45,071.47	Disbursement
City Of La Habra	11/7/2023	\$133,259.34	Disbursement
City Of Lakewood	12/15/2023	\$300,436.96	In Review
City Of Lathrop	12/27/2023	\$162,464.23	In Review
City Of Lindsay	12/28/2023	\$25,476.02	In Review
City Of Lodi	12/5/2023	\$199,858.26	Disbursement
City Of Long Beach	12/28/2023	\$1,510,307.87	In Review
City Of Los Angeles	12/20/2023	\$67,459,531.18	In Review
City Of Madera	12/21/2023	\$1,259,909.33	In Review
City Of Manhattan Beach	1/30/2024	\$103,860.44	In Review
City Of Manteca	1/24/2024	\$698,146.10	Disbursement
City Of Martinez	12/29/2023	\$91,354.26	In Review
City Of McFarland	12/28/2023	\$147,303.02	Review Completed
City Of Menlo Park	12/21/2023	\$188,210.56	Disbursement
City Of Milpitas	11/29/2023	\$53,652.76	Disbursement
City Of Modesto	11/17/2023	\$967,650.89	Disbursement
City Of Monrovia	12/21/2023	\$72,787.37	In Review
City Of Monterey Park	1/25/2024	\$43,244.29	Review Completed
City Of Morgan Hill	11/16/2023	\$56,993.05	Disbursement
City Of Morro Bay	12/29/2023	\$132,254.93	In Review
City Of Newport Beach	1/29/2024	\$121,367.69	In Review
City Of Norwalk	1/31/2024	\$102,456.80	In Review
City Of Ontario	12/22/2023	\$4,190,478.38	In Review
City Of Orange Cove	12/18/2023	\$92,664.53	In Review
City Of Oxnard	1/30/2024	\$397,014.24	In Review
City Of Parlier	1/2/2024	\$84,233.06	In Review
City Of Pasadena	12/21/2023	\$1,314,934.91	In Review
City Of Perris	1/29/2024	\$150,553.97	In Review
City Of Petaluma	12/6/2023	\$174,565.65	Disbursement
City Of Pico Rivera	12/14/2023	\$42,514.89	In Review
City Of Pismo Beach	12/29/2023	\$12,687.67	In Review

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Applicant Name	Date Application Received	Total Funding Request	Application Review Status
City Of Pleasanton	12/29/2023	\$127,925.50	In Review
City Of Red Bluff	12/13/2023	\$68,555.73	In Review
City Of Redwood City	1/23/2024	\$10,578.50	Disbursement
City Of Rialto	12/18/2023	\$1,824,579.14	In Review
City Of Rio Vista	12/20/2023	\$84,964.34	In Review
City Of Sacramento	12/11/2023	\$3,429,375.26	In Review
City Of San Bernardino MWD	12/21/2023	\$568,235.07	Disbursement
City Of San Bruno	11/14/2023	\$667,928.57	Review Completed
City Of San Buenaventura	12/20/2023	\$10,744.98	In Review
City Of San Clemente	12/12/2023	\$493,919.24	Disbursement
City Of San Diego	12/27/2023	\$47,064,983.83	In Review
City Of San Fernando	11/8/2023	\$482,581.52	Disbursement
City Of San Jacinto	1/23/2024	\$31,612.19	In Review
City Of San Joaquin	12/7/2023	\$31,767.84	In Review
City Of San Jose	12/8/2023	\$1,309,878.28	In Review
City Of San Juan Bautista	12/19/2023	\$102,319.03	In Review
City Of San Luis Obispo	12/18/2023	\$22,263.45	In Review
City Of Sanger	11/9/2023	\$445,375.60	In Review
City Of Santa Ana	12/28/2023	\$1,849,229.09	In Review
City Of Santa Barbara	12/28/2023	\$1,855,253.54	In Review
City Of Santa Cruz	12/20/2023	\$376,094.87	In Review
City Of Santa Maria	12/14/2023	\$970,828.77	Disbursement
City Of Santa Paula	12/28/2023	\$756,690.68	Review Completed
City Of Santa Rosa	12/27/2023	\$2,038,897.06	In Review
City Of Sebastopol	12/28/2023	\$55,960.89	In Review
City Of Simi Valley	1/31/2024	\$87,410.21	In Review
City Of Soledad	12/15/2023	\$13,686.00	Disbursement
City Of Stockton	12/27/2023	\$2,362,493.06	In Review
City Of Sunnyvale	12/27/2023	\$162,136.23	Review Completed
City Of Thousand Oaks	1/24/2024	\$37,122.99	In Review
City Of Tracy	11/1/2023	\$443,428.15	Disbursement
City Of Tulare	12/15/2023	\$409,959.15	In Review
City Of Turlock	12/8/2023	\$737,760.00	Disbursement
City Of Ukiah	12/31/2023	\$216,440.17	In Review
City Of Vacaville	12/22/2023	\$804,963.37	In Review
City Of Vallejo	12/21/2023	\$2,443,357.27	In Review
City Of Wasco	12/22/2023	\$106,912.15	In Review
City Of Watsonville	12/22/2023	\$455,498.76	In Review
City Of West Sacramento	12/29/2023	\$1,149,246.03	Review Completed
City Of Westminster	12/22/2023	\$97,982.95	In Review

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Applicant Name	Date Application Received	Total Funding Request	Application Review Status
City Of Whittier	12/19/2023	\$156,858.09	In Review
City Of Williams	1/8/2024	\$13,833.66	In Review
City Of Yuba City	1/31/2024	\$358,766.83	In Review
Clear Lake Oaks County WD	12/26/2023	\$200,321.00	In Review
Coachella Valley Water District	12/28/2023	\$126,503.01	In Review
Contra Costa Water District	12/20/2023	\$232,082.70	In Review
County Of Imperial	1/26/2024	\$6,660.39	In Review
County Of Los Angeles	12/28/2023	\$1,339,815.87	In Review
County Of San Bernardino	12/29/2023	\$960,700.06	In Review
County Of San Luis Obispo	12/21/2023	\$16,728.52	In Review
Crescenta Valley Water District	1/12/2024	\$182,000.05	In Review
Crestline Sanitation District	11/15/2023	\$1,603.75	Disbursement
Cucamonga Valley Water District	11/29/2023	\$128,962.32	Disbursement
Del Oro Water Co Inc	12/18/2023	\$61,891.60	In Review
Del Rey CSD	12/26/2023	\$56,366.74	Disbursement
Descanso CSD	1/16/2024	\$126,233.05	Disbursement
Desert Water Agency	12/28/2023	\$60,385.02	Review Completed
Diablo Water District	1/22/2024	\$49,015.95	Review Completed
Ducor Community Water District	1/31/2024	\$1,408.49	In Review
East Bay Municipal Utility District	12/15/2023	\$37,034,657.37	In Review
Eastern Municipal Water District	12/15/2023	\$1,785,363.78	Disbursement
El Toro Water District	1/30/2024	\$24,305.79	In Review
Elk Creek CSD	12/22/2023	\$6,122.21	In Review
Elsinore Valley MWD	11/17/2023	\$260,648.51	Disbursement
Erskine Creek Water Company	1/30/2024	\$13,197.68	In Review
Esparto CSD	11/8/2023	\$1,686.38	Disbursement
Georgetown Divide PUD	12/11/2023	\$1,128.06	In Review
Golden State Water Company	12/20/2023	\$3,624,873.74	In Review
Great Oaks Water Company	12/28/2023	\$1,235,047.15	In Review
Green Valley MWC	12/6/2023	\$8,123.86	In Review
Helix Water District	11/13/2023	\$228,213.53	In Review
Herlong Public Utility District	11/13/2023	\$17,495.27	Disbursement
I-5 Utilities	12/19/2023	\$4,678.31	In Review
Indio Water Authority	12/21/2023	\$146,021.24	In Review
Irvine Ranch Water District	12/27/2023	\$1,235,435.49	In Review
Jurupa CSD	12/28/2023	\$558,226.13	Disbursement
Lake Hemet MWD	11/30/2023	\$50,241.97	Disbursement
Lake Moreno Views MWC Inc	12/21/2023	\$8,874.63	In Review
Laurel Community League, Inc.	1/27/2024	\$600.00	In Review
Liberty Utilities (Apple Valley)	12/28/2023	\$504,414.43	Disbursement

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Applicant Name	Date Application Received	Total Funding Request	Application Review Status
Liberty Utilities (Park Water)	12/28/2023	\$879,325.08	Disbursement
Linda County Water District	12/28/2023	\$47,646.37	Disbursement
Loleta CSD	12/13/2023	\$3,081.72	In Review
Los Angeles Dept Of Water And Power	12/15/2023	\$77,587,858.62	Disbursement
Marin Municipal Water District	12/20/2023	\$1,605,428.52	In Review
Marina Coast Water District	12/27/2023	\$224,927.03	Disbursement
Meiners Oaks Water District	12/13/2023	\$17,804.01	Disbursement
Mendocino City CSD	11/13/2023	\$13,839.78	Disbursement
Mesa Water District	12/28/2023	\$63,324.75	In Review
Mettler Valley Mutual Water District	1/20/2024	\$4,973.16	In Review
Meyers Water Company	1/29/2024	\$2,342.90	In Review
Mil Potrero Mutual Water Company	12/29/2023	\$37,866.92	In Review
Mission Springs Water District	1/23/2024	\$341,573.71	In Review
Moulton Niguel Water District	12/28/2023	\$237,502.96	In Review
Mount Hermon Assoc. Inc	12/18/2023	\$2,592.82	In Review
Mountain Gate CSD	11/17/2023	\$35,047.92	Disbursement
Myers Flat Mutual Water Company	12/28/2023	\$14,184.86	Review Completed
North Edwards Water District	12/22/2023	\$23,455.77	Review Completed
Otay Water District	12/13/2023	\$65,864.41	Disbursement
Owens Valley Water Resources, Inc.	11/21/2023	\$22,311.78	Disbursement
P&P Lte	12/13/2023	\$135,687.79	In Review
Padre Dam MWD	1/31/2024	\$23,877.68	In Review
Palo Alto Park MWD	12/26/2023	\$34,315.00	Disbursement
Pesante Water Association 2	12/28/2023	\$2,725.00	Disbursement
Pine Grove CSD	12/14/2023	\$4,947.32	In Review
Pine Hills Mutual Water Company	12/26/2023	\$3,146.96	Disbursement
Pixley Public Utility District	12/20/2023	\$5,491.30	Review Completed
Placer County Water Agency	12/28/2023	\$62,049.42	Disbursement
Poplar CSD	1/30/2024	\$10,979.80	In Review
Rancho Seco Incorporated	11/7/2023	\$13,112.94	In Review
Redway CSD	12/29/2023	\$22,678.35	In Review
Riverdale Public Utility District	12/22/2023	\$26,115.54	In Review
Rosa Morada MWC	11/21/2023	\$15,154.00	Disbursement
Rowland Water District	11/16/2023	\$49,835.34	In Review
San Gabriel Valley Water Company	12/14/2023	\$561,589.85	In Review
San Jose Water Company	12/28/2023	\$10,385,881.33	In Review
San Luis County Water District	1/2/2024	\$13,612.48	In Review
San Miguel CSD	11/3/2023	\$7,422.58	Disbursement
Santa Clarita Valley Water Agency	12/28/2023	\$251,518.59	In Review

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Applicant Name	Date Application Received	Total Funding Request	Application Review Status
Santa Margarita Water District	12/19/2023	\$604,895.35	In Review
Shady Lake Water Association	12/22/2023	\$1,606.80	In Review
Sierra Park Water Company, Inc.	11/27/2023	\$6,606.61	Disbursement
Sonoma County Water Agency	12/27/2023	\$216,338.35	Disbursement
Soquel Creek Water District	1/10/2024	\$79,452.34	In Review
South Tahoe Public Utility District	12/28/2023	\$638,692.42	In Review
Suburban Water Systems	12/28/2023	\$1,757,712.79	In Review
Sultana CSD	2/1/2024	\$14,226.85	In Review
Sunrise Shore MWC	12/19/2023	\$3,887.79	In Review
Sweetwater Authority	12/11/2023	\$36,876.67	In Review
Temescal Valley Water District	1/12/2024	\$7,544.48	In Review
Teviston CSD	12/27/2023	\$13,693.70	Review Completed
Town Of Yountville	12/5/2023	\$1,992.48	Disbursement
Tres Pinos Water District	12/6/2023	\$10,170.13	In Review
Vallecitos Water District	1/17/2024	\$76,989.15	Review Completed
Valley County Water District	12/8/2023	\$29,115.36	In Review
Valley Of The Moon Water District	12/11/2023	\$4,445.53	In Review
Vandenberg Village CSD	11/14/2023	\$10,236.73	Disbursement
Vista Irrigation District	12/12/2023	\$13,892.14	In Review
Washington County Water District	11/15/2023	\$5,791.63	Disbursement
Weott CSD	12/19/2023	\$26,669.73	Disbursement
West San Martin Water Works, Inc.	1/30/2024	\$3,133.70	In Review
West Valley County Water District	1/30/2024	\$4,530.64	In Review
West Valley Water District	12/13/2023	\$181,604.29	In Review
Western MWD Of Riverside County	12/21/2023	\$55,328.42	In Review
Western Water Conservation	11/16/2023	\$9,498.83	Disbursement
Wynola Water District	12/26/2023	\$1,796.52	In Review
Yettem Seville CSD	2/1/2024	\$15,999.66	In Review

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

Attachment 3-8:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q4a 027-CR AV CEBA GL and
Q4a 027-CR PW CEBA GL

Document Type	Document Number	Document Company	GL Date	Actual Amount	Post Status	Business Unit	Object Account	Subsidiary	Description	Subledger	JE Explanation	Batch Type	Batch Number	Batch Date	Remark	Address Number
JE	349215	04100	1/31/2022	-67,513.92	Posted	4100	2701	19	Consolidated Expense (CEBA)		Sales Revenue Jan22	G	312349	2/1/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	349438	04100	2/28/2022	-67,478.78	Posted	4100	2701	19	Consolidated Expense (CEBA)		Sales Revenue FEB 22	G	312727	3/1/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	351739	04100	3/31/2022	-52,516.63	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue MAR 22	G	313306	4/1/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	351804	04100	3/31/2022	0.16	Posted	4100	4501	19	Consolidated Expense (CEBA)		AVR CEBA Int Mar22	G	313410	4/6/2022	AVR CEBA Int Mar22	0
JE	351805	04100	3/31/2022	5,601.83	Posted	4100	2701	19	Consolidated Expense (CEBA)		AVR CEBA Reclass	G	313411	4/6/2022	AVR CEBA reclass asset to liab	0
JE	351805	04100	3/31/2022	-5,601.83	Posted	4100	4501	19	Consolidated Expense (CEBA)		AVR CEBA Reclass	G	313411	4/6/2022	AVR CEBA reclass asset to liab	0
JE	351979	04100	4/30/2022	-23,981.50	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue Apr22	G	313730	5/2/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	352305	04100	5/31/2022	-841.25	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue May22	G	314177	6/1/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	352572	04100	6/30/2022	-10.87	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue JUN 22	G	314660	7/1/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	358393	04100	6/30/2022	-199.21	Posted	4100	4501	19	Consolidated Expense (CEBA)		AVR CEBA Int Jun22	G	314792	7/6/2022	AVR CEBA Int Jun22	0
JE	358561	04100	7/31/2022	26.43	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue JUL22	G	315162	8/1/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	359111	04100	9/30/2022	-1.66	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue Sep22	G	316174	10/3/2022	Surcharge 248-W 4100 AVR CEBA	0
JE	359196	04100	9/30/2022	-526.21	Posted	4100	4501	19	Consolidated Expense (CEBA)		AVR CEBA Int Sep22	G	316309	10/6/2022	AVR CEBA Int Sep22	0
JE	360056	04100	12/31/2022	19.36	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue Dec22	G	317570	1/3/2023	Surcharge 248-W 4100 AVR CEBA	0
JE	360138	04100	12/31/2022	-875.07	Posted	4100	4501	19	Consolidated Expense (CEBA)		AVR CEBA Int Dec22	G	317732	1/6/2023	AVR CEBA Int Dec22	0
JE	360509	04100	3/31/2023	-31.24	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue MAR 23	G	318823	4/3/2023	Surcharge 248-W 4100 AVR CEBA	0
JE	360616	04100	3/31/2023	-999.06	Posted	4100	4501	19	Consolidated Expense (CEBA)		AVR CEBA Int Mar23	G	318992	4/6/2023	AVR CEBA Int Mar23	0
JE	360690	04100	4/30/2023	-0.02	Posted	4100	4501	19	Consolidated Expense (CEBA)		Sales Revenue Apr23	G	319260	5/1/2023	Surcharge 248-W 4100 AVR CEBA	0
Grand Total				-214,828.47												

Company	G/L Acco	G/L Acco	Journal E	Journal Ent	Posting Date	Posting	Amount in CC	Crcy	Jrnl.Entr	Cost Center	Profit Cer	Regulatory Acc	Regul Number	of Items
3099	241600	CRL Othe	10002968	SA	6/30/2023	50	-1,086.63	USD	Rec CEBA Int Jun23		10215	16242001 (ODC-Co	ODC-1	
3099	241600	CRL Othe	10004307	SA	10/1/2023	50	-1,151.40	USD	Rec CEBA Int Sep23		10215	16242001 (ODC-Co	ODC-1	
3099	241600	CRL Othe	10005309	SA	12/31/2023	50	-1,184.42	USD	Rec CEBA Int Q4		10215	16242001 (ODC-Co	ODC-1	
							<u>-3,422.45</u>	USD						

Document Type	Document Number	Document Company	GL Date	Actual Amount	Post Status	Business Unit	Object Account	Subsidiary	Description	Subledger	JE Balancing	Batch Type	Batch Number	Batch Date	Remark	Address Number
JE	340575	01100	3/31/2021	4,855.16	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	CEBA AL 309-W Revenue Increase	0
JE	340575	01100	3/31/2021	-980.36	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	CEBA Interest TrueUp	0
JE	340575	01100	3/31/2021	23,061.10	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	Interest 2018-2020	0
JE	340575	01100	3/31/2021	327,348.00	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	Transfer 2013 IRMA at 12/31/17	0
JE	340575	01100	3/31/2021	14,866.00	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	Transfer 2016 IRMA at 12/31/17	0
JE	340575	01100	3/31/2021	2,471.53	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	Transfer CEBA LT to ST	0
JE	340575	01100	3/31/2021	965.36	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	Transfer Recycled Water ICBA a	0
JE	340575	01100	3/31/2021	105,514.00	Posted	1100	2701	19	Consolidated Expense (CEBA)	AL 309 CEBA Transfers	G		307977	3/30/2021	Transfer WCMA at 12/31/17	0
JE	340594	01100	3/31/2021	-4,471.70	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Mar21	G		308036	4/1/2021	AL 309-W Surcharge CEBA	0
JE	340653	01100	3/31/2021	107.35	Posted	1100	2701	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Mar21	G		308121	4/6/2021	CEBA Bal Accounts Mar21	0
JE	340658	01100	4/30/2021	-29,353.00	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue APR21	G		308559	5/3/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	341296	01100	5/31/2021	-42,634.45	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue May 2021	G		308955	6/1/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	341517	01100	6/30/2021	-43,310.80	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue JUN 21	G		309400	7/1/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	341988	01100	6/30/2021	58.18	Posted	1100	2701	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Jun21	G		309507	7/7/2021	CEBA Bal Accounts Jun21	0
JE	341776	01100	7/31/2021	-47,406.46	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Jul 21	G		309784	8/2/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	342007	01100	8/31/2021	-49,571.27	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue AUG 21	G		310248	9/1/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	342230	01100	9/30/2021	-49,066.39	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue SEP 21	G		310638	10/1/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	342291	01100	9/30/2021	45.33	Posted	1100	2701	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Sep21	G		310767	10/5/2021	CEBA Bal Accounts Sep21	0
JE	345164	01100	10/31/2021	-45,863.02	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Oct21	G		311051	11/1/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	348638	01100	11/30/2021	-40,457.31	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue NOV 21	G		311459	12/1/2021	SR27 - AL 309-W Surcharge CEBA	0
JE	349034	01100	12/31/2021	-39,316.02	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Dec 21	G		311885	1/3/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	349109	01100	12/31/2021	34.41	Posted	1100	2701	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Dec21	G		312016	1/6/2022	CEBA Bal Accounts Dec21	0
JE	349213	01100	1/31/2022	-37,577.17	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Jan 22	G		312341	2/1/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	349440	01100	2/28/2022	-35,294.74	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Feb 22	G		312730	3/1/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	351742	01100	3/31/2022	-29,828.39	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Mar 22	G		313309	4/1/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	351762	01100	3/31/2022	26.90	Posted	1100	2701	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Mar22	G		313342	4/4/2022	CEBA Bal Accounts Mar22	0
JE	351978	01100	4/30/2022	-273.07	Posted	1100	2701	19	Consolidated Expense (CEBA)	Sales Revenue Apr22	G		313729	5/2/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	351978	01100	4/30/2022	-10,315.27	Posted	1100	4501	19	Consolidated Expense (CEBA)	Sales Revenue Apr22	G		313729	5/2/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	352314	01100	5/31/2022	112.54	Posted	1100	4501	19	Consolidated Expense (CEBA)	Sales Revenue May22	G		314188	6/1/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	352579	01100	6/30/2022	55.81	Posted	1100	4501	19	Consolidated Expense (CEBA)	Sales Revenue JUN 22	G		314672	7/1/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	358408	01100	6/30/2022	-21.96	Posted	1100	4501	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Jun22	G		314814	7/6/2022	CEBA Bal Accounts Jun22	0
JE	358555	01100	7/31/2022	18.49	Posted	1100	4501	19	Consolidated Expense (CEBA)	Sales Revenue July 22	G		315153	8/1/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	358840	01100	8/31/2022	5.50	Posted	1100	4501	19	Consolidated Expense (CEBA)	Sales Revenue Aug22	G		315724	9/1/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	359103	01100	9/30/2022	11.09	Posted	1100	4501	19	Consolidated Expense (CEBA)	Sales Revenue Sep22	G		316162	10/3/2022	SR27 - AL 309-W Surcharge CEBA	0
JE	359151	01100	9/30/2022	44.24	Posted	1100	4501	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Sep22	G		316245	10/5/2022	CEBA Bal Accounts Sep22	0
JE	360142	01100	12/31/2022	-106.80	Posted	1100	4501	19	Consolidated Expense (CEBA)	CEBA Bal Accounts Dec22	G		317736	1/6/2023	CEBA Bal Accounts Dec22	0
Grand Total				-27,456.88												

Company	G/L Acco	G/L Acco	Journal E	Journal E	Posting Date	Posting	Amount in CC CrCy	JrnL Entry	Cost Center	Profit Ctr	Regulatory Acc	Regulatory Acc (Desc.)	Number of Items
3098	241600	CRL Other	100042833 SA		6/30/2023	50	- 132.45	USD	CEBA Int Jun23	10210	16242001 (ODC-Consoli	ODC-Consolidated Expense (CEBA)-CRL	1
3098	241600	CRL Other	100060383 SA		10/11/2023	50	- 140.35	USD	CEBA Int Sep23	10210	16242001 (ODC-Consoli	ODC-Consolidated Expense (CEBA)-CRL	1
3098	241600	CRL Other	100073137 SA		12/31/2023	50	- 144.37	USD	CEBA Int Q423	10210	16242001 (ODC-Consoli	ODC-Consolidated Expense (CEBA)-CRL	1
							- 417.17	USD					

Attachment 3-9:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q4a 027-CR AV TCJA 2023.12.31 and
Q4a 027-CR PW TCJA 2023.12.31

**Liberty Utilities (Apple Valley Ranchos Water) Corp.
Calculation of Memorandum Account Interest
Tax Cuts and Jobs Act Memorandum Account ("TCJA")**

Beginning Balance 5/1/2023 (378,325.00) ¹

	Monthly Adj.	Interest Rate	Monthly Interest	Ending Balance
January		0.00%	\$0.00	(\$378,325.00)
February		0.00%	\$0.00	(\$378,325.00)
March		0.00%	\$0.00	(\$378,325.00)
April		0.00%	\$0.00	(\$378,325.00)
May		5.10%	(\$1,607.88)	(\$379,932.88)
June		5.20%	(\$1,646.38)	(\$381,579.26)
July		5.20%	(\$1,653.51)	(\$383,232.77)
August		5.34%	(\$1,705.39)	(\$384,938.15)
September	\$373,784	5.34%	(\$881.31)	(\$12,035.32)
October		5.38%	(\$53.96)	(\$12,089.28)
November		5.38%	(\$54.20)	(\$12,143.48)
December		5.36%	(\$54.24)	(\$12,197.72)
TOTAL 2023	\$373,784.14		(\$7,657)	

() Brackets indicate overcollections

¹Advice Letter 275-W-A approved a one-time surcredit, effective September 1, 2023.

Liberty Park Water
Calculation of Memorandum Account Interest
Tax Cuts and Jobs Act Memorandum Account ("TCJA")

Beginning Balance 5/1/2023 (799,558.00) ¹

	Monthly Adj.	Interest Rate ²	Monthly Interest	Ending Balance
January		0.00%	\$0.00	(\$799,558.00)
February		0.00%	\$0.00	(\$799,558.00)
March		0.00%	\$0.00	(\$799,558.00)
April		0.00%	\$0.00	(\$799,558.00)
May		5.10%	(\$3,398.12)	(\$802,956.12)
June		5.20%	(\$3,479.48)	(\$806,435.60)
July		5.20%	(\$3,494.55)	(\$809,930.15)
August		5.34%	(\$3,604.19)	(\$813,534.34)
September	\$777,007.64	5.34%	(\$1,891.39)	(\$38,418.09)
October		5.38%	(\$172.24)	(\$38,590.33)
November		5.38%	(\$173.01)	(\$38,763.34)
December	(\$105.65)	5.36%	(\$173.38)	(\$39,042.37)
TOTAL 2023	\$776,901.99		(\$16,386)	

¹ Advice Letter 337-W-A authorized a one-time surcredit, effective September 1, 2023.

() Brackets indicate Over collection

Attachment 3-10:
Liberty's Response to Cal Advocates
Data Request 027-CR,
Q4b 027-CR PW Sativa Revenue MA
2023.12.31

Company	Business Unit	Object Account	Subsidiary	Account Description	Period 1 Actual 2021	Period 2 Actual 2021	Period 3 Actual 2021	Period 4 Actual 2021	Period 5 Actual 2021	Period 6 Actual 2021	Period 7 Actual 2021	Period 8 Actual 2021	Period 9 Actual 2021	Period 10 Actual 2021	Period 11 Actual 2021	Period 12 Actual 2021	Cumulative Actual 2021
01100	1115	6111	1	MWD-Regular Commodity	518,116.37	455,302.46	494,315.60	539,333.29	594,245.88	625,711.66	693,622.33	687,917.85	645,691.73	581,653.95	556,014.51	484,903.51	6,877,329.14
01100	1115	6111	2	MWD-Minimum Flow	61.20	6,512.84	2,343.63	2,864.34	2,083.32	1,562.34	1,582.14	390.66	1,953.00	1,560.25	9,116.14	2,863.44	32,893.30
01100	1115	6111	3	MWD-Service Charge	15,546.93	15,546.93	15,546.93	15,546.93	15,546.93	15,771.93	-11,307.07	2,119.93	2,344.93	2,344.93	15,771.93	2,344.93	107,126.16
01100	1115	6150	1	Electric Commodity	61,077.33	42,119.10	42,622.63	30,449.49	53,362.73	47,299.15	38,857.94	118,654.80	80,639.46	50,825.75	50,670.29	27,682.41	644,261.08
01100	1115	6170	101	City of Commerce	42,016.00	76,591.13	65,599.63	69,067.38	73,984.50	75,982.61	0.00	0.00	31,292.25	66,003.30	51,394.50	45,306.00	596,839.30
01100	1115	6180		Replenishment-Standard	98,769.92	180,048.06	154,209.58	162,361.46	172,984.88	178,317.60	178,382.54	179,551.16	173,552.60	163,072.20	139,976.84	134,160.94	1,915,387.78
01100	1115	6190		Chemicals	8,455.00	4,766.12	13,803.74	9,430.39	9,339.06	6,575.85	8,065.48	10,502.30	5,830.30	16,367.07	2,376.73	7,009.07	102,521.11
Total Business Unit 1115																	
Total 01100																	
Grand Total					744,042.75	780,888.64	788,441.74	829,563.28	921,146.30	951,221.14	909,203.36	999,136.70	941,304.27	881,827.45	825,320.94	704,270.30	10,276,957.87
AF Pumped per production report					382.47	347.42	403.69	425.03	452.84	466.80	466.97	455.36	426.62	400.02	369.14	340.51	4,936.87
AF purchased per production report					390.81	347.22	374.38	411.01	452.99	476.97	529.19	515.94	486.76	445.22	431.74	372.20	5,234.43
TOTAL AF					773.28	694.64	778.07	836.04	905.83	943.77	996.16	971.30	913.38	845.24	800.88	712.71	10,171.30
Blended Cost/AF					962.19	1,124.16	1,013.33	992.24	1,016.91	1,007.90	912.71	1,028.66	1,030.57	1,043.29	1,030.52	988.16	1,010.33
Sativa reading (AF)					43	36	41	41	46	46	48	47	43	43	39	38	511
Sativa Costs					41,374.20	40,469.77	41,546.53	40,681.89	46,777.95	46,363.17	43,809.99	48,346.98	44,314.62	44,861.32	40,190.19	37,550.02	478,736.60
Sativa Revenues					(77,400.00)	(64,800.00)	(73,800.00)	(73,800.00)	(82,800.00)	(82,800.00)	(86,400.00)	(84,600.00)	(77,400.00)	(77,400.00)	(70,200.00)	(68,400.00)	(919,800.00)
Total Revenues					(77,400.00)	(64,800.00)	(73,800.00)	(73,800.00)	(82,800.00)	(82,800.00)	(86,400.00)	(84,600.00)	(77,400.00)	(77,400.00)	(70,200.00)	(68,400.00)	(919,800.00)
Net					(36,025.80)	(24,330.23)	(32,253.47)	(33,118.11)	(36,022.05)	(36,436.83)	(42,590.01)	(36,253.02)	(33,085.38)	(32,538.68)	(30,009.81)	(30,849.98)	(441,063.40)
Shareholders					(25,218.06)	(17,031.16)	(22,577.43)	(23,182.68)	(25,215.44)	(25,505.78)	(29,813.01)	(25,377.11)	(23,159.77)	(22,777.08)	(21,006.87)	(21,594.99)	(282,459.37)
Ratepayers					(10,807.74)	(7,299.07)	(9,676.04)	(9,935.43)	(10,806.62)	(10,931.05)	(12,777.00)	(10,875.91)	(9,925.62)	(9,761.60)	(9,002.94)	(9,255.00)	(121,054.02)
Net					(36,025.80)	(24,330.23)	(32,253.47)	(33,118.11)	(36,022.05)	(36,436.83)	(42,590.01)	(36,253.02)	(33,085.38)	(32,538.68)	(30,009.81)	(30,849.98)	(441,063.40)