

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: Liberty Utilities (Park Water) Corp.

Date Mailed to Service List: March 31, 2022

District: N/A

CPUC Utility #: U 314-W

Protest Deadline (20th Day): April 20, 2022

Advice Letter #: 322-W

Review Deadline (30th Day): April 30, 2022

Tier 1 2 3 Compliance

Requested Effective Date: May 1, 2022

Authorization D.12-04-048

Rate Impact: \$182,000

0.51%

Description: Liberty Park Water requests authorization to implement an 18-month temporary surcharge to recover the under-collection recorded in its 2021 WRAM and MCBA.

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Tiffany Thong

Utility Contact: AnnMarie Sanchez

Phone: 562.923.0711

Phone: 562.923.0711

Email: Tiffany.Thong@LibertyUtilities.com

Email: AnnMarie.Sanchez@libertyutilities.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

APPROVED

WITHDRAWN

REJECTED

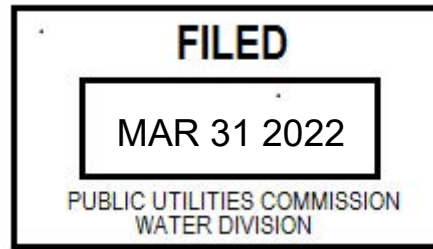
Signature: _____

Comments: _____

Date: _____



Liberty Utilities (Liberty Park Water) Corp.
9750 Washburn Road
Downey, CA 92308-6533
Tel: 562-923-0711
Fax: 562-861-5902



Advice Letter No. 322-W

March 31, 2022

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Liberty Utilities (Park Water) Corp. (U 314-W) (“Liberty Park Water”) hereby transmits the following revised tariff sheets applicable to water service in its service territory:

Summary

This advice letter filing requests authorization to implement a temporary surcharge to the water rates in Liberty Park Water’s Service Area. Liberty Park Water is seeking a temporary surcharge of \$0.030 per Ccf for domestic metered customers for an 18-month period. The surcharge is designed to recover the combined under-collection recorded in the 2021 Water Revenue Adjustment Mechanism (“WRAM”) and the Modified Production Cost Balancing Account (“MCBA”). This request is made pursuant to the Commission’s direction in Decision 08-02-036, dated February 28, 2008 and Decision 12-04-048, dated April 19, 2012.

Background and Discussion

WRAM and MCBA

In D.08-02-036 the Commission adopted the Settlement Agreement between Park and the Division of Ratepayer Advocates (“DRA”) on WRAM and Conservation Rate Design Issues dated June 15, 2007. D.08-02-036 adopted a Trial Program for Liberty Park Water consisting of a conservation rate design and related mechanisms for decoupling sales and revenue (WRAM and MCBA). The Trial Program was implemented on September 15, 2008 with Commission approval of Park Advice Letter No. 200-W. In D.12-04-048 the Commission modified D.08-02-026 by authorizing an 18-month amortization schedule for the net balance recorded in the WRAM and MCBA.

The purpose of the WRAM is to track the difference between adopted and actual commodity rate revenue excluding revenue for fire service, reclaimed water, and miscellaneous fees. The purpose of the MCBA is to track the difference between adopted and actual costs for the following variable costs: purchased water, purchased power, pump tax, and chemicals. The MCBA captures variations in production costs due to either changes in unit price or changes in consumption.

The combined balance recorded in the WRAM and MCBA for the period January 1, 2021 through December 31, 2021 including interest through February 28, 2022 was an under-collection of \$1,046,931.

Liberty Park Water filed an information-only report with Water Division for the amounts recorded in the WRAM and MCBA during calendar year 2021 on December 3, 2021 detailing the WRAM and MCBA data for nine months, ending September 30, 2021. As compared to the information-only report, this filing includes an updated twelve months of WRAM and MCBA data, ending December 31, 2021, with a total net under-collected balance of \$1,046,408. With interest through February 28, 2022, the under-collected balance was \$1,046,931.

In addition to the net WRAM and MCBA balance of calendar year 2021, Liberty Park Water proposes to include the under-amortized amount from the active surcharge for the 2020 and prior WRAM/MCBA during the time it has been in effect. Because the actual sales were lower than the adopted sales assumed for the surcharge calculation during the time it has been in effect, the surcharge did not recover the regulatory account balances as intended and authorized by the Commission. Therefore, pursuant to the procedure authorized in D.12-04-048 (Section 3.7 Treatment for Under-Amortized Amounts), Liberty Park Water is requesting authority to include in this filing the balance as of February 28, 2022 of \$228,002 resulting from the under-amortization of the ongoing 2020 and prior WRAM/MCBA surcharge.

On April 30, 2012, the Commission issued Decision 12-04-048 which, among other things, changed the amortization period of the WRAM/MCBA and imposed a 10% cap of the last authorized revenue requirement. D.12-04-048, Ordering Paragraph 3:

3. *We adopted the amortization schedule set forth in Appendix A with a cap on total net Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA) surcharges of 10% of the last authorized revenue requirement. The cap shall be effective the first test year of each applicant's pending or next General Rate Case, as follows:*

- *Golden State and Park: Advice Letter filings on March 2014*
- *Cal Water: Advice Letter filings on March 2015*
- *Apple Valley: Advice Letter filing on March 2016*

WRAM/MCBA account balances incurred prior to the first test year referenced above continue to be amortized under the adopted amortization schedule without being subject to the surcharge cap.

Liberty Park Water filed Advice Letter 289-W on April 1, 2019 seeking recovery of the combined balance of the 2018 and prior WRAM and MCBA of \$4,774,092. Because of the 10% cap imposed by D.12-04-048, the amount approved for recovery was \$3,825,000, via an 18-month surcharge, effective December 1, 2019. The surcharge is no longer active. The residual under-collected balance recorded through February 28, 2022 was \$528,522.

The total combined above balances is \$1,803,455 or 5.07% of Liberty Park Water's 2021 authorized revenue requirement. Because of the 10% cap imposed by D.12-04-048, Liberty Park Water is requesting a portion of the total combined balance (up to the 10% cap limitation). Liberty Park Water will seek recovery of the remaining balance recorded in the 2021 WRAM

and MCBA and any residual balance recorded in the 2020 and prior WRAM and MCBA in a subsequent advice letter filing or in its next GRC application.

Liberty Park Water is therefore requesting recovery of \$182,000 or 0.51% of its authorized 2021 revenue requirement. Liberty Park Water proposes to recover the under-collection recorded in the WRAM and MCBA through an 18-month surcharge of \$0.030 per Ccf applicable to domestic service for schedules PR-1-R, residential metered service and PR-1-NR, non-residential metered service.

The Commission Staff has been provided with workpapers developing the balances in the WRAM and MCBA. The calculation of the surcharges is included in the workpapers.

Tier Designation

Pursuant to D.07-01-024, this advice letter is submitted with a Tier 1 designation.

Requested Effective Date

Pursuant to General Rule 7.3.2 of General Order 96-B, Liberty Park Water requests this filing become effective on May 1, 2022.

Notice and Service

In accordance with General Order 96-B, General Rules 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on March 31, 2022 to competing and adjacent utilities and other utilities or interested parties having requested such notification.

In accordance with Resolution W-4664, notice is not required. Liberty Park Water will include notice of the rate change within the bill during the first billing period the increase is in effect.

Response or Protest

Anyone may respond to or protest this advice letter. When submitting a response or protest, please include the utility name and advice letter number in the subject line. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or

- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the Commission).

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
water.division@cpuc.ca.gov

On the same date, the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Tiffany Thong
Manager, Rates and Regulatory Affairs
Liberty Utilities
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Phone: (562) 923-0711
Fax: (562) 861-5902
E-Mail: AdviceLetterService@libertyutilities.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits within the 20-day protest period so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

If you have not received a reply to your protest within 10 business days, contact Tiffany Thong at (562) 923-0711.

Very truly yours,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

Tiffany.Thong@libertyutilities.com

TT/as

Attachments

SCHEDULE NO. PR-1-NR

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NON-RESIDENTIAL METERED SERVICE

5. As authorized by the California Public Utilities Commission, an amount of \$ 0.543 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 289-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2018.
6. As authorized by the California Public Utilities Commission, an amount of \$0.120 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 309-W. This surcharge will recover the under collection in the Consolidated Expense Balancing Account as of December 31, 2020.
7. As authorized by the California Public Utilities Commission, an amount of \$2.63 surcredit per customer is to be added to the Customer's bill for a period of 12 months, beginning on the effective date of Advice Letter 309-W. This surcredit will refund the over collection in the Conservation Expense One-Way Balancing Account and the Tangible Property Regulations Consequences Memorandum as of December 31, 2018.
8. As authorized by the California Public Utilities Commission, an amount of \$5.46 surcredit per customer is to be added to the Customer's bill for a period of 12 months, beginning on the effective date of Advice Letter 309-W. This surcredit will refund the over collection in the Pension Expense Balancing Account as of December 31, 2017.
9. As authorized by the California Public Utilities Commission, an amount of \$0.126 per Ccf is to be added to the quantity rate for a period of 16 months, beginning on the effective date of Advice Letter 310-W. This surcharge will recover the under collection in the Interim Rates Memorandum Account as of November 19, 2020.
10. As authorized by the California Public Utilities Commission, an amount of \$0.128 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 313-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2020.
11. As authorized by the California Public Utilities Commission, an amount of \$0.030 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 322-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2021.

(N)
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(N)

SCHEDULE NO. PR-1-R

RESIDENTIAL METERED SERVICE

5. As authorized by the California Public Utilities Commission, an amount of \$ 0.543 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 289-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2018.
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11. As authorized by the California Public Utilities Commission, an amount of \$0.030 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 322-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2021.

(N)
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(N)

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| Schedule No. ME-1-R General Metered Service..... | 1430-W | |
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(Continued)

City of Artesia
18747 Clarkdale Avenue
Artesia, CA 90701

City of Santa Fe Springs Water Dept.
11710 Telegraph Road
Santa Fe Springs, CA 90670

Suburban Water Systems
Attention: Kiki Carlson
1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044
kcarlson@swwc.com

Suburban Water Systems
Attention: Robert Kelly
1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044

City of Cerritos Water Department
18125 Bloomfield Avenue
Cerritos, CA 90703

Bellflower Somerset Mutual Water Co.
10016 E. Flower St.
P. O. Box 1697 (90707)
Bellflower, CA 90706

City of Norwalk Water Department
12700 S. Norwalk Boulevard
Norwalk, CA 90650

City of Compton Water Department
205 W. Willowbrook
Compton, CA 90220

Golden State Water Company
Ronald Moore, Regulatory Affairs
630 E. Foothill Blvd
San Dimas, CA 91773

City of Lynwood Water Department
Attention: Joseph Kekula
11330 Bullis Road
Lynwood, CA 90262

City of Paramount Water Department
16400 Colorado Avenue
Paramount, CA 90723

City of Bell Gardens
Attention: Steve Steinbrecher
7100 Garfield Avenue
Bell Gardens, CA 90201

Dominguez/California Water Service
2632 W. 237th Street
Torrance, CA 90505-5272

Calif. Public Utilities Commission
Attention: Ting-Pong Yuen
ORA Water
505 Van Ness Avenue
San Francisco, CA 94102

California Water Service Company
Attention: Daniel Armendariz
East Los Angeles District
2000 S. Tubeway Avenue
Commerce, CA 90040

Central Basin Municipal Water District
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Commerce, CA 90040

City of Bellflower
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Nina Jazmadarian
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City Manager
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