

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

Advice Letter Cover Sheet

Utility Name: Liberty Utilities
(Apple Valley Ranchos Water) Corp. **Date Mailed to Service List:** February 16, 2016

District: N/A

CPUC Utility #: U-346-W **Protest Deadline (20th Day):** March 7, 2016

Advice Letter #: 216-W **Review Deadline (30th Day):** March 17, 2016

Tier ☐ 1 ☒ 2 ☐ 3 ☒ Compliance **Requested Effective Date:** March 17, 2016

Authorization D.15-11-030

Rate Impact: \$2,973,129
12.83%

Description: The purpose of this filing is to recover the difference between interim rates established by Advice Letter 194-W, effective January 1, 2015, Advice Letter 199-W-A, effective June 1, 2015 and the final rates established by Advice Letter 204-W, effective November 24, 2015 in compliance with Decision 15-11-030.

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: Edward N. Jackson
Phone: 562.923.0711, ext. 1212
Email: ed.jackson@parkwater.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water_Division@cpuc.ca.gov

Utility Contact: Diana M. Lemoli
Phone: 562.923.0711, ext. 1208
Email: dlemoli@parkwater.com

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

☐ APPROVED

☐ WITHDRAWN

☐ REJECTED

Signature: _____

Comments: _____

Date: _____



Advice Letter No. 216-W

February 16, 2016

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Liberty Utilities (Apple Valley Ranchos Water) Corp. (U 346 W) ("Liberty Apple Valley") hereby transmits the following revised tariff sheets applicable to water service in its service territory:

Calif. P.U.C.		Canceling
<u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Sheet No.</u>
909-W	Schedule No. 1, Residential General Metered Service, page 2	885-W
910-W	Schedule No. 2, Gravity Irrigation Service, page 2	874-W
911-W	Schedule No. 3, Non-Residential General Metered Service, page 2	886-W
912-W	Schedule No. 4, Non-Metered Fire Service	883-W
913-W	Table of Contents, page 1	908-W

The purpose of this filing is to recover the difference between the interim rates established by Advice Letter 194-W, effective January 1, 2015 and Advice Letter 199-W-A, effective June 1, 2015 and the final rates established by Advice Letter 204-W, effective November 24, 2015 in compliance with Decision 15-11-030.

Background and Discussion

These tariffs are submitted as authorized by Decision 15-11-030, Ordering Paragraph No. 4:

Within sixty days of the adoption of this decision, Apple Valley Ranchos Water Company (AVR) is authorized to file a Tier 2 Advice Letter to recover the difference between the interim rates and final rates from its customers in all districts. The difference between the interim and final rates based on the revenue requirement adopted here, shall be recovered over the balance of the rate case cycle.

The new rates authorized by Decision 15-11-030 became effective on November 23, 2015. Liberty Apple Valley bills on a bi-monthly basis, and as a result, all bills including some at the interim rate, were not issued until January 23, 2016. Liberty Apple Valley did

not have the necessary billing information until 60 days after the effective date of the rate change; and furthermore needed to calculate the final balance in the Interim Rates Memorandum Account, and the surcharge to amortize the balance. Accordingly, Liberty Apple Valley requested a 4-week extension until February 15, 2016 to comply with Ordering Paragraph No. 4 of Decision 15-11-030. On January 19, 2016, the Executive Director of the California Public Utilities Commission ("Commission") granted Liberty Apple Valley's request.

Liberty Apple Valley has determined the difference between the rates authorized by Decision 15-11-030 and the interim rates authorized by the Commission for the period January 1, 2015 through November 24, 2015. The total revenue shortfall is calculated using recorded customer and usage consumption for that period. For the domestic system, the total calculated revenue shortfall is \$2,919,183. With interest through January 31, 2016 the total under-collected balance is \$2,923,163. The increase in revenues would generate an increase in uncollectible and franchise expense of \$42,971. The total revenue to be recovered is \$2,966,134 or approximately 12.80% of Liberty Apple Valley's 2016 adopted revenue requirements. For the irrigation system, the total revenue calculated was \$6,883. With interest through January 31, 2016 the total shortfall is \$6,894. The increase in revenues would generate an increase of \$101 in uncollectible and franchise expense. The total revenue to be recovered is \$6,995 or approximately 3.18% of the irrigation system's 2016 adopted revenue requirements.

Liberty Apple Valley is requesting to recover the shortfall of \$2,973,129 until the balance is fully amortized as stated in Ordering Paragraph No. 4. Liberty Apple Valley is proposing a 21-month surcharge of \$0.458 per Ccf for domestic service for Schedule No. 1, Residential General Metered Service, and Schedule No. 3, Non-Residential General Metered Service, \$0.009 per Ccf for Schedule No. 2, Gravity Irrigation Service, and \$9.78 per month for Schedule No. 4, Non-Metered Fire Service.

The Commission Staff has been provided with workpapers showing the derivation of the surcharges and interest.

Tier Designation

Pursuant to D.15-11-030, this advice letter is submitted with Tier 2 Designation.

Effective Date

Pursuant to General Rule 7.3.4 of General Order 96-B, Liberty Apple Valley requests this filing become effective on March 17, 2016.

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 February 16, 2016 to competing and adjacent utilities and other utilities or interested parties having requested such notification.

Customer notification of this increase was previously accomplished in A.11-01-001 as required by Rule No. 3.2 of the Commission's Rules of Practice and Procedure. Additional public notice of this filing is not required.

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 relitigating 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 Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 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 Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Edward N. Jackson
Representative
Director of Revenue Requirements
Liberty Utilities (Park Water) Corp.
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Fax: (562) 861-5902
E-Mail: ed.jackson@parkwater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division 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 this person at (562) 923-0711, ext. 1212.

A list of adjacent utilities either public or privately owned and other interested parties who have been furnished a copy of this Advice Letter, is attached.

Very truly yours,

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

/s/Edward N. Jackson
EDWARD N. JACKSON
Representative
Liberty Utilities (Park Water) Corp.
Director of Revenue Requirements
9750 Washburn Road
Downey, CA 90241
562.923.0711, ext. 1212
ed.jackson@parkwater.com

ENJ/dml

Enclosure

LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER) CORP.
21760 OTTAWA ROAD
P. O. BOX 7005
APPLE VALLEY, CALIFORNIA 92307

REVISED

Cal. P.U.C. Sheet No. 909-W

ORIGINAL

Cal. P.U.C. Sheet No. 885-W

SCHEDULE NO. 1

RESIDENTIAL GENERAL METERED SERVICE

(Continued)

6. As authorized by the California Public Utilities Commission, a surcredit of \$2.77 is to be applied for a period of 12 months beginning on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Employee and Retiree Health Care Balancing Account balance as of December 31, 2014.
7. As authorized by the California Public Utilities Commission, a one-time surcredit of \$0.93 per customer is to be applied on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Pension Expense Balancing Account as of December 31, 2014.
8. As authorized by the California Public Utilities Commission, an amount of \$2.43 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 208-W. This surcharge will recover the under-collection in the CARW Revenue Reallocation Balancing Account as of December 31, 2013.
9. As authorized by the California Public Utilities Commission, a one-time sur-credit of \$0.61 per customer is to be applied on the effective date of Advice Letter 209-W. This sur-credit will refund the over-collection in the One-Way Conservation Balancing Account as of October 31, 2015.
10. As authorized by the California Public Utilities Commission, an amount of \$0.02 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 210-W. This surcharge will recover the net total under-collected balance for the 2011 Conservation Memorandum Account, the 2011 Outside Services Memorandum Account, and the Credit Card Memorandum Account.
11. As authorized by the California Public Utilities Commission, an amount of \$0.458 per Ccf is to be added to the quantity rate for a period of 21 months, beginning on the effective date of Advice Letter 216-W. This surcharge will recover the under-collection in the Interim Rates Memorandum Account as of November 24, 2015.

(I)
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(I)

(To be inserted by utility)

Advice No. 216-W

Dec. No. D.15-11-030

GREGORY S. SORENSEN

Name

PRESIDENT

Title

(To be inserted by Cal. P.U.C.)

Date Filed _____

Effective _____

Resolution No. _____

LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER) CORP.
21760 OTTAWA ROAD
P. O. BOX 7005
APPLE VALLEY, CALIFORNIA 92307

REVISED

Cal. P.U.C. Sheet No. 910-W

ORIGINAL

Cal. P.U.C. Sheet No. 874-W

SCHEDULE NO. 2

GRAVITY IRRIGATION SERVICE

(Continued)

6. As authorized by the California Public Utilities Commission, a surcredit of \$2.77 is to be applied for a period of 12 months, beginning on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Employee and Retiree Health Care Balancing Account balance as of December 31, 2014.
7. As authorized by the California Public Utilities Commission, a one-time surcredit of \$0.93 per customer is to be applied on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Pension Expense Balancing Account as of December 31, 2014.
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(I)
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(I)

(To be inserted by utility)

Advice No. 216-W

Dec. No. D.15-11-030

GREGORY S. SORENSEN

Name

PRESIDENT

Title

(To be inserted by Cal. P.U.C.)

Date Filed _____

Effective _____

Resolution No. _____

LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER) CORP.
21760 OTTAWA ROAD
P. O. BOX 7005
APPLE VALLEY, CALIFORNIA 92307

REVISED

Cal. P.U.C. Sheet No. 911-W

REVISED

Cal. P.U.C. Sheet No. 886-W

SCHEDULE NO. 3

NON-RESIDENTIAL GENERAL METERED SERVICE

(Continued)

6. As authorized by the California Public Utilities Commission, a surcredit of \$2.77 is to be applied for a period of 12 months, beginning on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Employee and Retiree Health Care Balancing Account balance as of December 31, 2014.
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(To be inserted by utility)

Advice No. 216-W

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Name

PRESIDENT

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LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER) CORP.
21760 OTTAWA ROAD
P. O. BOX 7005
APPLE VALLEY, CALIFORNIA 92307

REVISED Cal. P.U.C. Sheet No. 912-W
Canceling REVISED Cal. P.U.C. Sheet No. 883-W

SCHEDULE NO. 4
NON-METERED FIRE SERVICE
(Continued)

6. Any unauthorized use of water, other than for fire extinguishing purposes shall be charged for at the regular established rate as set forth under Schedule No. 3, Non-Residential General Metered Service, and/or may be the grounds for the immediate disconnection of the service without liability to the Company.
7. A late charge will be imposed per Schedule No. LC
8. All bills subject to the reimbursement fee set forth on Schedule No. UF.
9. As authorized by the California Public Utilities Commission, a surcredit of \$2.77 is to be applied for a period of 12 months, beginning on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Employee and Retiree Health Care Balancing Account balance as of December 31, 2014.
10. As authorized by the California Public Utilities Commission, a one-time surcredit of \$0.93 per customer is to be applied on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Pension Expense Balancing Account as of December 31, 2014.
11. As authorized by the California Public Utilities Commission, a one-time sur-credit of \$0.61 per customer is to be applied on the effective date of Advice Letter 209-W. This sur-credit will refund the over-collection in the One-Way Conservation Balancing Account as of December 31, 2014.
12. As authorized by the California Public Utilities Commission, an amount of \$9.78 per month is to be added to the quantity rate for a period of 21 months, beginning on the effective date of Advice Letter 216-W. This surcharge will recover the under-collection in the Interim Rates Memorandum Account as of November 24, 2015. (I)
(I)

(To be inserted by Utility)

(To be inserted by Cal. P.U.C.)

Advice No.	<u>216-W</u>	<u>GREGORY S. SORENSEN</u>	Date Filed	<u> </u>
		Name		
Dec. No.	<u>D.15-11-030</u>	<u>PRESIDENT</u>	Effective	<u> </u>
		Title	Resolution No.	<u> </u>

LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER) CORP.
21760 OTTAWA ROAD
P. O. BOX 7005
APPLE VALLEY, CALIFORNIA 92307

REVISED

Cal. P.U.C. Sheet No.

913-W

Canceling

REVISED

Cal. P.U.C. Sheet No.

908-W

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

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Sheet No.**

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(continued)

(To be inserted by utility)

Issued By:

(To be inserted by Cal. P.U.C.)

Advice No. 216-W

GREGORY S. SORENSEN

Date Filed

Dec. No. D.15.11-030

Name
PRESIDENT

Effective

Title

Resolution No.

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

**ADVICE LETTER 216-W
DISTRIBUTION LIST**

Jim Hansen
Navajo Mutual Water Company
P. O. Box 392
Apple Valley, CA 92307
jhansenjr@email.com

Town of Apple Valley
Attention: Dennis Cron
14955 Dale Evans Parkway
Apple Valley, CA 92307
dcron@applevalley.org

Manuel Benitez
County of San Bernardino
Special Districts Department
Water and Sanitation Division
12402 Industrial Blvd.
Bldg. D, Ste. 6
Victorville, CA 92392

California Public Utilities Commission
Attention Ting-Pong Yuen
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102
tpy@cpuc.ca.gov

Kathleen Rollings-McDonald
Executive Officer
Local Agency Formation Commission
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