

May 1, 2024

## **Liberty Utilities (CalPeco Electric) LLC (U-933-E)**

### **2023 Risk Spending Accountability Report**

Liberty Utilities (CalPeco Electric) LLC (U 933-E) (“Liberty”) submits its 2022 Risk Spending Accountability Report (“RSAR”) pursuant to Cal. Pub. Util. Code § 591 and California Public Utilities Commission (“Commission”) Decision (“D.”) 22-10-002.

#### **Background**

Cal. Pub. Util. Code § 591(a) states, “The commission shall require an electrical or gas corporation to annually notify the commission, as part of an ongoing proceeding or in a report otherwise required to be submitted to the commission, of each time since that notification was last provided that capital or expense revenue authorized by the commission for maintenance, safety, or reliability was redirected by the electrical or gas corporation to other purposes.”

Ordering Paragraph 5 of D.22-10-002 orders Liberty to file its annual RSAR on May 1 each year.

Liberty continues to report on spending in all safety, reliability, and maintenance programs, including the specific projects identified in its 2022 GRC Decision. This report provides a comparison of Liberty’s authorized and recorded 2021-2023 capital and 2023 O&M spending related to safety, reliability, and maintenance.

The last GRC in which capital and O&M spending was authorized was Liberty’s 2022 GRC (A.23-04-043), which was approved on April 27, 2023. The Decision authorized 2022-2024 capital and 2022 O&M spending.

For 2022, the 2022 GRC Decision authorized 2021/2022 capital expenditures of \$88.643 million, including \$64.134 million for SRM programs. Liberty recorded \$92.593 million in total capital expenditures, including \$66.617 million for SRM programs. The \$2.483 excess spending on SRM programs included higher costs than authorized for wildfire mitigation programs. The 2022 GRC Decision authorized \$19.348 million in SRM-related O&M expenses. Liberty recorded \$31.032 million in 2022 SRM-related O&M expenses. The overrun was mostly associated with ramping up of the WMP program. Liberty’s 2022 GRC forecast was based on Liberty’s 2021 WMP, while the work performed in 2022 was based on Liberty’s 2022 WMP.

For 2023-2024, the 2022 GRC Decision authorized \$64 million in capital additions for the two-year timeframe. This amount was adopted from the all-party revenue requirement settlement. The \$64 million was broken into categories of SRM spending, but did not identify specific projects or programs. Liberty’s recorded 2023 capital additions totaled \$56.070 million. No specific O&M spending was authorized for 2023 in the 2022 GRC Decision. Liberty escalated the authorized 2022 O&M expenses by 3.2% in Advice Letter 225-E, per its authorized PTAM

procedures, which results in 2023 SRM-related O&M expenses of \$19.967 million. Liberty's recorded 2023 O&M expenses are still being reviewed and are not final. Liberty will provide a supplemental report when the numbers are available.

Attachments 1 and 2 provide comparisons of Liberty's 2021-2024 recorded and authorized capital expenditures and 2022 O&M expenses related to maintenance, safety, and reliability.

**Attachment 1**  
**2021-2024 Recorded and Authorized Capital Expenditures**

**Liberty Utilities (CalPeco Electric) LLC**  
**2022 RSAR Capital \$(thousands)**

	GRC-Authorized				Recorded				Variance				Variance Explanation	Program Status	Units		
	2021	2022	2023-2024	Total	2021	2022	2023-2024	Total	2021	2022	2023-2024	Total			Authorized	Recorded	
<b>Distribution</b>																	
Pole Replacements Per Test	470	483	-	953	256	26	-	282	(214)	(457)	-	(671)	Fewer poles were identified than expected	Planned	n/a	n/a	No units to track
Overhead Failures/Services	1,692	1,738	-	3,430	813	3,023	-	3,836	(879)	1,285	-	406	Reactive account - work based on failures	Planned	n/a	n/a	No units to track
Underground Failures/Services	1,034	1,062	-	2,096	1,469	1,792	-	3,261	435	730	-	1,165	Reactive account - work based on failures	Planned	n/a	n/a	No units to track
Distribution Rebuilds – OH	2,296	2,500	-	4,796	834	804	-	1,638	(1,462)	(1,696)	-	(3,158)	Reactive account - work based on failures	Planned	n/a	n/a	No units to track
Distribution Rebuilds – UG	361	1,500	-	1,861	619	423	-	1,043	258	(1,077)	-	(818)	Reactive account - work based on failures	Planned	n/a	n/a	No units to track
Submersible Transformer Replace	500	5	-	505	582	33	-	615	82	28	-	110	Slight cost overrun	Planned	n/a	n/a	No units to track
Claims	419	430	-	849	(162)	368	-	206	(581)	(62)	-	(643)	Reactive account - work based on incidents	Planned	n/a	n/a	No units to track
Street & Highway Improvements	336	345	-	681	-	-	-	-	(336)	(345)	-	(681)	Reactive account - based on projects	Deferred	n/a	n/a	No units to track
Authorized Capital Additions	-	-	15,000	15,000	-	-	10,207	10,207	-	-	(4,793)	(4,793)	Two-year spending authorization	Planned	n/a	n/a	No specific projects approved
<b>Total</b>	<b>7,108</b>	<b>8,063</b>	<b>15,000</b>	<b>30,171</b>	<b>4,412</b>	<b>6,469</b>	<b>10,207</b>	<b>21,087</b>	<b>(2,696)</b>	<b>(1,594)</b>	<b>(4,793)</b>	<b>(9,084)</b>					
<b>Substation</b>																	
625/650 Phase 2B	7,074	-	-	7,074	6,254	2,890	-	9,144	(820)	2,890	-	2,070	Cost overrun	Planned	n/a	n/a	Specific project, no units to track
Portola Substation	-	-	-	-	31	619	-	651	31	619	-	651	Project timing moved up, project continues in 2023	Planned	n/a	n/a	Specific project, no units to track
Squaw Valley Substation	-	100	-	100	-	-	-	-	-	(100)	-	(100)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Squaw Valley/Tahoe City CBs	382	400	-	782	-	-	-	-	(382)	(400)	-	(782)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Stampede Substation	25	-	-	25	-	-	-	-	(25)	-	-	(25)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Stateline Substation	-	100	-	100	-	-	-	-	-	(100)	-	(100)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Prosser Substation	-	25	-	25	-	-	-	-	-	(25)	-	(25)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Substation Fencing	561	50	-	611	108	755	-	863	(453)	705	-	252	Cost overrun	Planned	n/a	n/a	Specific project, no units to track
Emergency Substation Equipment	625	642	-	1,267	248	363	-	611	(377)	(279)	-	(656)	Costs less than anticipated	Planned	n/a	n/a	Specific project, no units to track
Substation Spare Transformer	25	900	-	925	-	-	-	-	(25)	(900)	-	(925)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Other Substation Capital	332	96	-	428	0	234	-	235	(332)	138	-	(193)	Miscellaneous - reactive-based projects	Planned	n/a	n/a	Specific project, no units to track
Authorized Capital Additions	-	-	17,000	17,000	-	-	13,864	13,864	-	-	(3,136)	(3,136)	Two-year spending authorization	Planned	n/a	n/a	No specific projects approved
<b>Total</b>	<b>9,024</b>	<b>2,313</b>	<b>17,000</b>	<b>28,337</b>	<b>6,642</b>	<b>4,862</b>	<b>13,864</b>	<b>25,367</b>	<b>(2,382)</b>	<b>2,549</b>	<b>(3,136)</b>	<b>(2,970)</b>					
<b>WMP Covered Conductor*</b>																	
Tahoe City 7300	1,259	788	-	2,047	6	73	-	79	(1,253)	(715)	-	(1,968)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Topaz 1261	300	500	-	800	-	4	-	4	(300)	(496)	-	(796)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Meyers 3300	2,303	3,235	-	5,538	3,803	220	-	4,022	1,500	(3,015)	-	(1,516)	Costs lower than anticipated	Planned	n/a	n/a	Specific project, no units to track
Meyers 3400	4,990	3,000	-	7,990	6,870	4,754	-	11,624	1,880	1,754	-	3,634	Costs higher than anticipated	Planned	n/a	n/a	Specific project, no units to track
640A Line	-	50	-	50	65	6	-	71	65	(44)	-	21	Preliminary work, majority of costs in 2023-2024	Planned	n/a	n/a	Specific project, no units to track
640B Line	-	100	-	100	23	1	-	24	23	(99)	-	(76)	Preliminary work, majority of costs in 2023-2024	Planned	n/a	n/a	Specific project, no units to track
Brockway 5100	-	100	-	100	-	-	-	-	-	(100)	-	(100)	Project deferred to 2023-2024	Planned	n/a	n/a	Specific project, no units to track
Brockway 4202	644	293	-	937	663	901	-	1,565	19	608	-	628	Costs higher than anticipated	Planned	n/a	n/a	Specific project, no units to track
Stateline 2300	-	25	-	25	-	6	-	6	-	(19)	-	(19)	Preliminary work, majority of costs in 2023-2024	Planned	n/a	n/a	Specific project, no units to track
Hobart 7700	450	3,649	-	4,099	445	1,523	-	1,968	(5)	(2,126)	-	(2,131)	Project ongoing in 2023	Planned	n/a	n/a	Specific project, no units to track
Authorized Capital Additions	-	-	17,000	17,000	-	-	17,000	17,000	-	-	-	-	---	Planned	n/a	n/a	No specific projects approved
<b>Total</b>	<b>9,946</b>	<b>11,740</b>	<b>17,000</b>	<b>38,686</b>	<b>11,875</b>	<b>7,488</b>	<b>17,000</b>	<b>36,363</b>	<b>1,929</b>	<b>(4,252)</b>	<b>-</b>	<b>(2,323)</b>					
<b>WMP Other*</b>																	
Pole Replacements	4,500	4,500	-	9,000	5,335	6,727	-	12,061	835	2,227	-	3,061	Liberty replaced more poles than forecast	Planned	231	437	
Fuse Replacements	867	891	-	1,758	615	3,423	-	4,038	(252)	2,532	-	2,280	Liberty replaced more fuses than forecast	Planned	1,500	2,725	
Tree Attachments	560	573	-	1,133	657	1,025	-	1,682	97	452	-	549	Liberty removed more attachments than forecast	Planned	105	182	
Wire Upgrades	600	350	-	950	604	3,949	-	4,553	4	3,599	-	3,603	Liberty did significantly more upgrades than forecast	Planned	n/a	n/a	No units to track
Auto Reclosers	300	360	-	660	419	191	-	610	119	(169)	-	(50)		Planned	4	4	
CALFire Exempt Hardware	-	500	-	500	-	-	-	-	-	(500)	-	(500)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
Substation Animal Guarding	804	300	-	1,104	719	719	-	1,437	(85)	419	-	333	Higher than anticipated costs	Planned	n/a	n/a	Specific project, no units to track
Weather Stations	-	135	-	135	3	18	-	21	3	(117)	-	(114)	Additional installations deferred to 2023	Deferred	n/a	n/a	Specific project, no units to track
DFA	-	150	-	150	18	48	-	66	18	(102)	-	(84)	Partially deferred to 2023/2024	Planned	n/a	n/a	Specific project, no units to track
HIFD	-	100	-	100	-	-	-	-	-	(100)	-	(100)	Project deferred to 2023-2024	Deferred	n/a	n/a	Specific project, no units to track
LIDAR	400	-	-	400	350	-	-	350	(50)	-	-	(50)	Costs slightly lower than forecast	Planned	n/a	n/a	Specific project, no units to track
T&E	50	-	-	50	47	4	-	51	(3)	4	-	1		Planned	n/a	n/a	Specific project, no units to track
Authorized Capital Additions	-	-	10,000	10,000	-	-	10,000	10,000	-	-	-	-	---	Planned	n/a	n/a	No specific projects approved
<b>Total</b>	<b>8,081</b>	<b>7,859</b>	<b>10,000</b>	<b>25,940</b>	<b>8,768</b>	<b>16,102</b>	<b>10,000</b>	<b>34,870</b>	<b>687</b>	<b>8,243</b>	<b>-</b>	<b>8,930</b>					
<b>Total SRM Programs</b>	<b>34,159</b>	<b>29,975</b>	<b>59,000</b>	<b>123,134</b>	<b>31,696</b>	<b>34,920</b>	<b>51,070</b>	<b>117,687</b>	<b>(2,463)</b>	<b>4,945</b>	<b>(7,930)</b>	<b>2,483</b>					
<b>Total Other Capital</b>	<b>8,115</b>	<b>16,394</b>	<b>5,000</b>	<b>29,509</b>	<b>12,470</b>	<b>13,505</b>	<b>5,000</b>	<b>30,976</b>	<b>4,355</b>	<b>(2,889)</b>	<b>-</b>	<b>1,467</b>					
<b>Total Capital Spending</b>	<b>42,274</b>	<b>46,369</b>	<b>64,000</b>	<b>152,643</b>	<b>44,167</b>	<b>48,426</b>	<b>56,070</b>	<b>148,663</b>	<b>1,893</b>	<b>2,057</b>	<b>(7,930)</b>	<b>(3,980)</b>					

\*The GRC forecast for WMP projects and programs was based on Liberty's 2021 WMP. Actual work performed in 2022 was based on Liberty's 2022 WMP.

**Attachment 2**  
**2022 O&M Expenses Related to Maintenance, Safety, and Reliability**

**Liberty Utilities (CalPeco Electric) LLC**  
**2022-23 RSAR O&M Expenses \$(thousands)**

Account	2022 Expenses			2023 Expenses			
	Authorized	Recorded	Variance	Authorized	Recorded	Variance	
<b>Distribution Operation</b>							
581	Load Dispatching	636	588	(48)	656	-	(656)
582	Station Expenses	28	20	(8)	29	-	(29)
583	Overhead Line Expenses	89	482	393	92	-	(92)
584	Underground Line Expenses	56	52	(4)	58	-	(58)
585	Street Lighting/Signal Systems	2	2	-	2	-	(2)
586	Meters	9	29	20	9	-	(9)
588	Miscellaneous	2,211	2,389	178	2,282	-	(2,282)
	<b>Total</b>	<b>3,031</b>	<b>3,562</b>	<b>531</b>	<b>3,128</b>	<b>-</b>	<b>(3,128)</b>
<b>Distribution Maintenance</b>							
591	Structures	27	7	(20)	28	-	(28)
592	Station Equipment	82	497	415	85	-	(85)
593	Overhead Lines	2,000	2,973	973	2,064	-	(2,064)
594	Underground Lines	563	417	(146)	581	-	(581)
596	Street Lighting/Signal Systems	9	23	14	9	-	(9)
597	Meters	69	93	24	71	-	(71)
598	Miscellaneous	817	1,030	213	843	-	(843)
	<b>Total</b>	<b>3,567</b>	<b>5,040</b>	<b>1,473</b>	<b>3,681</b>	<b>-</b>	<b>(3,681)</b>
<b>Wildfire Mitigation</b>							
599	WMP Expenses	1,750	6,012	4,262	1,806	-	(1,806)
599	Vegetation Management	11,000	16,418	5,418	11,352	-	(11,352)
	<b>Total</b>	<b>12,750</b>	<b>22,430</b>	<b>9,680</b>	<b>13,158</b>	<b>-</b>	<b>(13,158)</b>
	<b>Total SRM O&amp;M</b>	<b>19,348</b>	<b>31,032</b>	<b>11,684</b>	<b>19,967</b>	<b>-</b>	<b>(19,967)</b>

2022 Variance Analysis

Distribution Operations and Maintenance

Liberty did significantly more maintenance work on its distribution system than it forecast in the GRC due to findings in its full system survey to address GO 165 issues.

Wildfire Mitigation

Liberty has ramped up its work on its WMP plan work. The GRC forecast for wildfire mitigation was based on Liberty's 2021 WMP, but the work performed was based on Liberty's 2022 WMP.