



CPUC FactSheet

PUBLIC PARTICIPATION HEARING

Liberty Utilities – Park Water Company (Park)

General Rate Case Application (A.21-07-004)

March 9, 2022

What is this Rate Application About?

Every three years, the California Public Utilities Commission (CPUC) requires Park to file a General Rate Case (GRC) application. This application allows the CPUC to take a broad, in-depth look at Park’s income and expenses and consider quality of service and other factors, and then decide whether to raise or lower Park’s rates, and whether to require other changes in Park’s operations.

In this application, Park is requesting that the CPUC approve a rate increase. The following information is taken directly from Park’s July 2, 2021 report submitted with its application to the CPUC.

What Increases in Revenue is Park Requesting to be Funded Through Customer Water Bills for the Period of 2022-2024?¹

For 2022: \$5.475 million (15.10%) above present revenues

For 2023: \$1.821 million (4.35%) above proposed 2022 revenues

For 2024: \$1.752 million (4.00%) above proposed 2023 revenues

What Residential Rate Design Changes is Park Requesting?

- Authorization to recover 50% of its revenue from monthly service charges and the remaining 50% from water quantity usage charges. The utility is currently authorized to recover 25% of its revenue from monthly service charges and 75% from water quantity usage charges.
- Authorization to increase the upper limit of the Tier 1 usage range from 8 CCF to 10 CCF. Park would also cap the second tier of usage at 20 CCF, and any usage above 20 CCF would fall into a new third tier.

What Types of Additional Costs Does Park Say it Needs to Recover?

Park is requesting to recover costs for proposed new capital investments to replace and upgrade its water system and facilities as well as for additional administrative, general, and labor costs. Park’s application requests:

Proposed New Capital Investments:

- **Infrastructure Replacement:** \$18,138,829 3-year capital expenditures budget increase for capital investments in facility retirements, improvements, and replacements; pipeline and meter replacements; IT upgrades; and purchases of water rights.
- **Depreciation Expense:** \$323,991 increase for depreciation expense which increases proportionately to reflect infrastructure investments.

¹ The amount of revenue to be authorized is based on the forecasted operating and capital costs of doing business. This, combined with forecasted water sales and number of customers, produces the necessary changes in rates.

Increases for costs of operation:

- **Purchased Water Costs:** \$3,593,312 increase due to reflect increased rates from water wholesaler, as well as increased quantities of usage from previous adopted values
- **Parent Company Allocation:** \$718,557 increase for Park Water’s share of Liberty Utilities’ overall administrative and general costs, including payroll, outside consultant services, and maintenance.
- **Employee Benefit Expense:** \$242,583 increase for pensions and benefits costs reflecting staff additions as well as to adjust for increasing healthcare and benefits costs in the last five years.

What are the Residential Bill Impacts Based on Requested Revenue Increases?

Excluding CPUC fee, City Tax, surcharges and refunds, an average residential customer with a 5/8-inch meter using 8.75 CCF (1 CCF = 748 gallons) every month will see an increase in their monthly bill from \$75.78 in July of 2021 to \$86.58 in July of 2022, a 14.25% increase. The same bill is estimated to be \$90.31 in July of 2023 and \$93.86 in July of 2024, resulting in an overall 23.86% rate increase over 3 years.

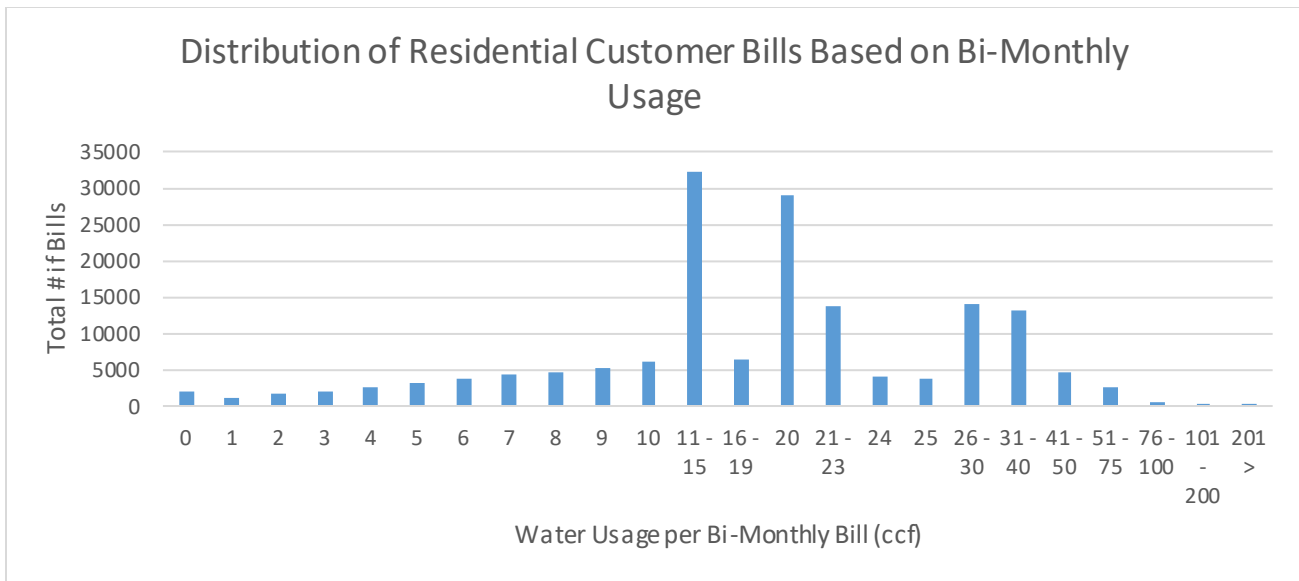
Three-Year Cumulative Impact to Base Charges	
Total Increase	Total % Increase
\$18.08	23.86%

Monthly Service Charge				
Meter Size	Present Rates (AL 316)	2022-2023 (% Increase)	2023-2024 (% Increase)	2024-2025 (% Increase)
5/8-inch	\$21.05	\$46.57 (121.24%)	\$48.61 (4.38%)	\$50.55 (3.99%)
3/4-inch	\$31.58	\$69.86 (121.24%)	\$72.92 (4.38%)	\$75.83 (3.99%)
1-inch	\$52.63	\$116.43 (121.24%)	\$121.53 (4.38%)	\$126.38 (3.99%)

Water Usage Quantity Rate*				
Usage Range	Present Rates (AL 316)	2022-2023 (% Change)	2023-2024 (% Change)	2024-2025 (% Change)
0 to 8 CCF	\$6.176	\$4.573 (-25.96)	\$4.765 (4.20%)	\$4.950 (3.88%)
8+ to 10 CCF	\$7.102	\$4.573 (-35.61%)	\$4.765 (4.20%)	\$4.950 (3.88%)
10 to 20 CCF	\$7.102	\$5.716 (-25.96%)	\$5.957 (4.20%)	\$6.188 (3.88%)
Over 20 CCF	\$7.102	\$6.860 (-3.41%)	\$7.148 (4.20%)	\$7.425 (3.88%)

*Tier 1 usage rates are bolded and highlighted in yellow

The graph below shows the distribution of bi-monthly metered water usage per bill amongst residential customers for calendar year 2020. It illustrates that approximately 70% of monthly bills during this period were less than or equal to the average water usage of **18.9 CCF**.



What Other Rate Increase Requests are Pending for Park?

Park has no other pending applications or advice letters at this time.

How Can I Have My Voice Heard?

- Speak at an upcoming CPUC Public Participation Hearing (sometimes referred to as a Public Forum). A list of dates, times, and locations is at: <https://www.cpuc.ca.gov/proceedings-and-rulemaking/cpuc-public-participation-hearings>
- Submit comments electronically to the CPUC using the “Add Public Comment” button on the “Public Comment” tab of the Docket Card for A.21-07-004. You can also review other public comments related to this rate request: <https://bit.ly/3AU4DT0>. The public may submit multiple public comments throughout the proceeding.
- Mail a letter to the CPUC’s Public Advisor and include the proceeding number A.21-07-004, to: public.advisor@cpuc.ca.gov or CPUC, Public Advisor’s Office, 505 Van Ness Ave., San Francisco, CA 94102.
- The Public Advisor’s Office provides information for the public to get involved in proceedings at: www.cpuc.ca.gov/pao and you can subscribe to receive documents in A.21-07-004 at: <http://subscribecpuc.ca.gov/fpss/Default.aspx>.

Further Information on the Proceeding:

- View Park’s July 2, 2021 application and all filings in this proceeding by the Administrative Law Judge and Commissioner, parties to this proceeding, and the public, as well as hearing transcripts and the proposed decision when it is issued, by going to <https://bit.ly/3AU4DT0> and pressing the “Documents” tab at the top of the page.
- View Park’s customer notice and the CPUC’s Fact Sheet at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office>.
- The Public Advocates Office is an independent consumer advocate within the Commission who will review, audit, and submit formal testimony on Park’s GRC application. Its website is: <https://www.publicadvocates.cpuc.ca.gov>.

- The CPUC's Water Division provides information on the regulatory process for water utilities at: <https://www.cpuc.ca.gov/water/> and specific information on the General Rate Case process at: <https://www.cpuc.ca.gov/General.aspx?id=6442461381>.
- The CPUC adopted a framework to assess the affordability of utility services. Information on the Affordability Rulemaking R.18-07-006 can be found here: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability/>