



PUBLIC PARTICIPATION HEARING

Liberty Utilities (Apple Valley Ranchos Water) Corp. General Rate Case Application (A.24-01-003)

July 29, 2024 & July 31, 2024

The purpose of the Public Participation Hearing (PPH) is to provide an opportunity for you to communicate directly with the California Public Utilities Commission (CPUC) about Liberty Utilities (Apple Valley Ranchos Water) Corp.’s (Liberty Apple Valley) rate increase proposal in its application that would impact you and to share any concerns you may have about the service that you receive from Liberty Apple Valley.

What is this Rate Application About?

Every three years the large Class A water utilities file applications for a “General Rate Case” (GRC) at the California Public Utilities Commission (CPUC). A GRC allows the CPUC to take a broad, in-depth look at a water company’s revenues and expenses and consider quality of service and other factors to arrive at just and reasonable rates. As part of a GRC proceeding, a water company requests revenues for the next three years based on its forecasted expenses and necessary investments and must justify the proposed rate increase.¹ Parties to the proceeding then examine and comment on the request in a public process before the CPUC. Below is information on Liberty Utilities’ GRC submitted January 2, 2024.

What is Liberty Apple Valley Requesting in A.24-01-003?²

Increases in Revenue to be Recovered:

- 2025: \$3.11 million (10.15%) above current revenues
- 2026: \$2.14 million (6.31%) above proposed 2025 revenues
- 2027: \$2.24 million (3.96%) above proposed 2026 revenues

The amount of Liberty Utilities’ revenue request is based on its forecasted operating and capital costs. This, combined with forecasted water sales and the number of customers, produces the estimated changes in rates.

¹ There will likely be other increases outside of the three-year GRC period. The company can request to increase rates if certain operating costs increase, such as electricity and purchased water.

² The values for 2026 and 2027 are estimated. The actual increases may differ based on the company’s recorded data and the inflation forecast for each year.



What are the Main Reasons Liberty Apple Valley Cites for Needing to Increase Rates?

- **Parent Company Allocation:** \$928,706 increase for Apple Valley’s share of Liberty Utilities’ overall administrative and general costs, including payroll, outside consultant services, and maintenance.
- **Liability Insurance:** \$696,347 increase for higher premiums related to business and workers’ comp expenses.
- **Purchased Power:** \$226,683 increase to reflect higher electricity rates from local electric utilities.

How will Liberty Apple Valley’s Request Impact Me?

Residential Rate Impacts from GRC Request (Not including CPUC fee, surcharges, refunds, or tax)

Service Charge (Meter Size)	Current Eff. 7/1/2024	Proposed		
		Eff. 7/1/2025	Eff. 7/1/2026	Eff. 7/1/2027
5/8”	\$34.35	\$30.09	\$31.95	\$33.97
3/4”	\$56.03	\$45.14	\$47.93	\$50.96
1-inch	\$93.38	\$75.23	\$79.88	\$84.93
Variable Rates				
Tier 1 (0 – 13 CCF)	\$3.364	\$5.327	\$5.659	\$6.022
Tier 2 (14 – 26 CCF)	\$4.485	\$5.607	\$5.957	\$6.339
Tier 3 (Over 26 CCF)	\$7.759	\$9.252	\$9.829	\$10.459

Bills are calculated by combining a service charge and a usage charge. The service charge is a fixed, once per month charge for maintaining the meters, pipes, pumps, valves, and other equipment to deliver water to your residence. Your service charge depends on your meter size. Most residential customers use a 5/8-inch meter. The usage charge is a monthly charge based on each household’s water use, meaning the more water used, the higher the volumetric per unit charge could become. An average-use, residential customer with a 5/8-inch meter using 12 CCF (1 CCF = 748 gallons) would see an increase in each bill from \$84.44 currently to \$95.96 per month in 2025 under Liberty Apple Valley’s request in A.24-01-003. The same bill would be \$101.65 in 2026 and \$108.14 in 2027 resulting in an overall \$23.70 or 28.1% rate increase over 3 years.

Here is an illustrative example of a bill calculation for a household with a 5/8-inch meter, using 15 CCF in 2024. The usage charge would be calculated by multiplying 13 CCF by \$3.364, which equals \$43.73. The remaining 2 CCF is multiplied by \$4.485, which results in \$8.97. The total bill is calculated by adding the service charge and usage charges together (\$34.35+\$43.73+\$8.97=\$87.05).



Where Can I Go for Further Information on the Proceeding?

- Information on how to participate at the scheduled Public Participation Hearings (PPHs) can be found at <https://www.cpuc.ca.gov/pph>
- Documents related to this proceeding are available on the CPUC's website at <https://apps.CPUC.ca.gov/p/A2401003>
- Subscribe to receive documents related to this proceeding at <http://subscribecpuc.cpuc.ca.gov/>
- To review Liberty Apple Valley's Application, or to request a copy of all exhibits, including supporting testimony, please go to: <https://california.libertyutilities.com/apple-valley/residential/rates-and-tariffs/regulatory-information.html>
- To review Public Advocates Office's testimony, go to: <https://www.publicadvocates.cpuc.ca.gov>
- The Public Advisor's Office provides information for the public on how to get involved in proceedings: www.cpuc.ca.gov/pao
- The CPUC's Water Division provides information on the regulatory process for water utilities: <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division>