

Docket	: <u>A.24-01-002 et al.</u>
Exhibit Number	: <u>Cal Adv - #</u>
Commissioner	: <u>Darcie L. Houck</u>
Administrative Law Judge	: <u>Margery L. Melvin</u>
Public Advocates Office	: <u>Suliman Ibrahim</u>
Witness(es)	: _____



**PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**EXECUTIVE SUMMARY
AND
ESCALATION YEAR INCREASES**

San Francisco, California
July 24, 2024

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1 **MEMORANDUM**

2 The Public Advocates Office at the California Public Utilities Commission (“Cal
3 Advocates”) examined application material, data request responses, and other
4 information presented by Liberty Utilities Apple Valley Ranchos Water Corp (“AVR”)
5 and Liberty Utilities Park (“Park”) in Application (“A.”) 24-01-002 et al. to provide the
6 California Public Utilities Commission (“Commission” or “CPUC”) with
7 recommendations in the interests of ratepayers for safe and reliable service at the lowest
8 cost. Suliman Ibrahim prepared this report under the general supervision of Program
9 Manager Richard Rauschmeier and Program & Project Supervisor Hani Moussa. Peter
10 Chau is Cal Advocates legal counsel.

11 Although every effort was made to comprehensively review, analyze, and provide
12 the Commission with recommendations on each ratemaking and policy aspect presented
13 in the Application, the absence from Cal Advocates’ testimony of any particular issue
14 connotes neither agreement nor disagreement of the underlying request, methodology, or
15 policy position related to that issue.

Testimony Book	Description	Witness
1	Executive Summary and Escalation Year Increases	Suliman Ibrahim
2	Report on Liberty Park and Liberty Apple Valley’s General Office Expenses and Rate Base	Roy Keowen
3	Report and Recommendations on Customer Service, ESJ & Action Plan, and Administrative and General Other Expenses	Ama Serwaa
4	Report on Sales & Revenues, Rate Design and BAMA	Chris Ronco
5	Report and Recommendations on Operations and Maintenance Expenses, Administrative and General Expenses, Payroll, and Conservation	Katherine Nguyen
6	Report on Pipeline Replacement, Depreciation Reserve & Expense, Rate Base, and PFAS Memo Account	Zaved Sarkar
7	Utility Plant in Service and Water Quality	Anthony Andrade

1 **CHAPTER 1 - EXECUTIVE SUMMARY**

2 **I. OVERVIEW**

3 On January 2, 2024, Liberty Utilities Park Water Corp. (“Liberty Park” or “Park”) filed Application (“A.”) 24-01-002 requesting authority to increase rates by 4 approximately 32.5% over the years 2025 to 2027.¹ In addition, Liberty Utilities Apple 5 Valley Ranchos Water Corp. (“Liberty AVR” or “AVR”) filed Application (“A.”) 6 24-01-003 requesting authority to increase rates by approximately 24.3% over the same 7 period.² On February 9, 2024, the presiding ALJ issued a ruling to consolidate the two 8 applications.³ 9

10 The requested rate increases are neither reasonable nor justified. A thorough 11 review of Liberty’s current rates, operations, and proposed budgets indicates the 12 Commission should implement a rate **decrease** of 5.53% in 2025 followed by increases 13 of 0.59% in 2026 and 0.27% in 2027 for Liberty Park. For Liberty AVR, the 14 Commission should implement a rate **decrease** of 12.51% in 2025 followed by increases 15 of 2.55% in 2026, and 1.69% in 2027.

16 In total, Cal Advocates’ recommendations would result in ratepayers of Liberty 17 Park experiencing a combined decrease in average system rates of 4.72%, and Liberty 18 AVR ratepayers experiencing a combined decrease of 8.76% during the three-year period 19 in which rates are being set in this proceeding.⁴ Tables 1-1 and 1-2 detail the proposed 20 rate changes.

¹ \$9,260,000 or 22.08% in 2025, \$2,182,928 or 4.42% in 2026, and \$2,139,448 or 3.96% in 2027.

² \$3,105,867 or 10.15% in 2025, \$2,139,978 or 6.31% in 2026, and \$2,238,205 or 6.18% in 2027.

³ Application 24-01-002 and Application 24-01-003, February 9, 2024 Administrative Law Judge’s Ruling Consolidating Proceedings, Setting Webex Prehearing Conference, and Directing Parties to File and Serve Joint Prehearing Conference Statement.

⁴ Liberty AVR is made up of two systems its domestic system which serves most its customers and an irrigation system that serves a golf course and green belt irrigation. The Public Advocates Office’s recommended change for the domestic system is (\$3,844,106) or -12.57% in test year 2025, \$643,086 or 2.39% in 2026, and \$461,023 or 1.66% in 2027. The Public Advocates Office’s recommended change for the irrigation system is (\$28,056) or -7.56% in 2025, \$52,794 or 15.39% in 2026, and \$14,050 or 3.55% in 2027.

Table 1-1: Revenue Increase Comparison Liberty Park

Year	Liberty Park		Cal Advocates	
	Revenue Increase	Percent Change	Revenue Increase/Decrease	Percent Change
2025	\$9,260,000	22.08%	\$(2,419,642)	-5.53%
2026	\$2,182,928	4.42%	\$244,580	0.59%
2027	\$2,139,448	3.96%	\$115,128	0.27%

Table 1-2: Revenue Increase Comparison Liberty AVR

Year	Liberty AVR		Cal Advocates	
	Revenue Increase	Percent Change	Revenue Increase/Decrease	Percent Change
2025	\$3,105,867	10.15%	(\$3,872,162)	-12.51%
2026	\$2,139,978	6.31%	\$695,880	2.55%
2027	\$2,238,205	6.18%	\$475,073	1.69%

In a General Rate Case (“GRC”), the utility must demonstrate the reasonableness of every dollar in its proposed budget.⁵ This requirement to justify costs is not only derived from Commission precedent, but also to provide Liberty’s customers the assurance that what they are paying is reasonable. As one commenter stated on this proceeding’s public comment page, “I demand verifiable proof and evidence that these prices are justified.”⁶ Another echoed this sentiment stating, “What proof does [Liberty] have that this BASIC NEED needs to go up 30%?”⁷ Transparency and fairness demand Liberty provide adequate support to justify the reasonableness of each of its requests in the application. Liberty’s proposed budget (i.e. revenue requirement) fails to meet this burden.

The unreasonableness of Liberty’s proposed rate increases is evident from the first few pages of its applications. In its applications, Liberty provides tables comparing its proposed budgets with its last authorized budget and the last recorded year of financial

⁵ D.96-12-066 at 5.

⁶ A.24-01-002 Public Comments Docket Page on April 20, 2024 [Proceedings Tab5 - Public Comments \(ca.gov\)](#).

⁷ A.24-01-002 Public Comments Docket Page on February 9, 2024 [Proceedings Tab5 - Public Comments \(ca.gov\)](#).

1 data as required by the rate case plan.^{8,2} These tables show that Liberty was authorized
 2 and charged ratepayers millions of dollars more in operating expenses than actually
 3 spent. Despite this, Liberty is now requesting more than a \$10,000,000 increase from its
 4 actual spending for Park and more than a \$7,000,000 increase for AVR. Table 1-3 below
 5 provides a detailed comparison. Table 1-4 includes a comparison of the recorded rates
 6 with both Cal Advocates' and Liberty's proposed forecasts from the previous rate case.

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Table 1-3: Test Year Expense Comparisons for Liberty Park and AVR.^{10 11}

Service Area	Authorized 2022 Budget	Recorded 2022 Actual	Authorized greater than Recorded 2022	Proposed 2025 Budget	Proposed greater than Recorded 2022
Park	\$30,952,300	\$27,388,500	\$3,563,800	\$37,718,661	\$10,330,161
AVR	\$20,525,800	\$16,870,300	\$3,655,500	\$24,023,268	\$7,152,968

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Table 1-4: Test Year Expense Forecast Comparisons to Recorded for Liberty Park and AVR in A-21-07-003.^{12 13}

Service Area	Recorded 2022 Actual	Cal Adv Proposed 2022	Cal Adv greater than Recorded	Liberty Proposed 2022	Liberty greater than Recorded
Park	\$27,388,500	\$26,851,248	(\$537,252)	\$33,103,063	\$5,714,563
AVR	\$16,870,300	\$18,661,456	\$1,791,156	\$20,810,586	\$3,940,286

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In Liberty's previous GRC (A.21-07-003), Cal Advocates' forecast was much closer to the actual results than both Liberty's proposed forecast and the Commission's adopted numbers. The recorded information shows that Cal Advocates 2022 test year

⁸ A.24-01-002-Liberty Park Water's 2025 GRC Application.pdf at 4.

² A.24-01-003-Liberty Apple Valley's 2025 GRC Application.pdf at 4.

¹⁰ A.24-01-002 Liberty Park Water's 2025 GRC Application.pdf at 4.

¹¹ A.24-01-003-Liberty Apple Valley's 2025 GRC Application.pdf at 4.

¹² A.21-07-003 and A.21-07-004 The Public Advocates Office's Report on the Results of Operations for Liberty Utilities (Park Water) Corp, at 1-3.

¹³ A.21-07-003 and A.21-07-004 The Public Advocates Office's Report on the Results of Operations for Liberty Utilities (Apple Valley Ranchos Water) Corp, at 1-3.

1 expense estimates were within approximately 2% for Park¹⁴ and 11% for AVR.¹⁵
 2 Conversely, Liberty’s forecast deviated approximately 21% for Park¹⁶ and 23% for
 3 AVR.¹⁷ The Commission’s authorized budget deviated approximately 13% for Park¹⁸
 4 and 22% for AVR.¹⁹

5 Actual incurred expenses are generally a straightforward sum of receipts. Unlike
 6 other components of the revenue requirement, such as rate base, which are ratemaking
 7 constructs that have no direct comparison in the recorded financials. This makes
 8 expenses an excellent benchmark for assessing historical forecasting performance.
 9 Nevertheless, one can compare previously forecasted capital additions (the primary
 10 component of rate base) with the capital additions actually made and recorded to
 11 financial accounts. Table 1-5 provides a comparison for authorized and recorded plant in
 12 service.

13 **Table 1-5: Test Year Plant in Service Comparisons for Liberty Park and AVR.**^{20,21}

Service Area	Authorized 2022 Plant in Service	Recorded 2022 Plant in Service	Authorized greater than Recorded 2022	Proposed 2025 Budget	Proposed greater than Recorded 2022
Park	\$177,688,384	\$160,356,178	\$17,332,206	\$219,194,449	\$58,838,271
AVR	\$188,053,188	\$178,480,836	\$9,572,352	\$223,429,954	\$44,949,118

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¹⁴ $\$537,252/\$27,388,500*100=1.96\%$.

¹⁵ $\$1,791,156/\$16,870,300*100=10.61\%$.

¹⁶ $\$5,714,563/\$27,388,500*100=20.86\%$.

¹⁷ $\$3,940,286/\$16,870,300*100=23.36\%$.

¹⁸ $\$3,563,800/\$27,388,500*100=13.01\%$.

¹⁹ $\$3,655,500/\$16,870,300*100=21.67\%$.

²⁰ Exhibit F Liberty Park Minimum Data Requirements.pdf MDR No. II.D. Rate Base II.D.3.

²¹ Exhibit F Apple Valley Minimum Data Requirements.pdf MDR No. II.D. Rate Base II.D.3.

1 According to its application Minimum Data Requirements (“MDR”) response,
2 Liberty’s plant in service was significantly less than authorized. Liberty Park’s recorded
3 plant in service was \$17,332,206 short while AVR’s was \$9,572,352. The plant in
4 service account represents the plant balance which is providing Liberty customers with
5 used and useful service. When authorized plant balances are millions of dollars greater
6 than actual balances, Liberty customers are paying millions of dollars more than
7 necessary for plant that is not actually providing service.

8 The above analysis is based on the tables Liberty provided in its application filing.
9 Liberty’s tables compare the 2022 and 2025 test years and the 2022 recorded year.
10 However, Liberty’s test year starts on July 1 and runs through June 30 of the following
11 year meaning that the comparison Liberty provides in its tables is not in alignment. For
12 the data Liberty provides to be in alignment, it should compare its previously authorized
13 2022 amounts with the actual amounts recorded from July 1, 2022 to June 30, 2023.
14 Liberty’s refusal to provide audited data for this period prevents the Commission from
15 precisely comparing authorized and recorded data. The Commission should require
16 Liberty to provide audited recorded data that matches its test year period moving forward.
17 This data is essential for the Commission to verify the accuracy of its forecasts.

18 Although Liberty has not provided any audited 2023 data, rough comparisons of
19 authorized versus recorded can be approximated. On April 11, 2024 Liberty provided an
20 updated Results of Operations (“RO”) model that included unaudited recorded 2023 data.
21 Liberty Park’s 2022 total recorded expenses in its April update are \$26,931,758.²²
22 Liberty Park’s unaudited 2023 total expenses are \$31,501,046.²³ An average of these
23 numbers is \$29,216,402, which is still \$1,735,898 less than authorized. Similarly,
24 Liberty AVR’s average of 2022 and 2023 total expenses is \$15,267,727 or \$3,393,729
25 less than authorized.²⁴ Additionally, Liberty Park’s recorded 2022 plant in service

²² PW 25 Expenses.xlsx Tab “ExpenseDetail” Cell “K574”.

²³ PW 25 Expenses.xlsx Tab “ExpenseDetail” Cell “M574”.

²⁴ AV 25 Expenses.xlsx Tab “ExpenseDetail” Cells “K516” and “M516”.

1 included in its MDR did not match the number in its RO model. Liberty Park’s RO lists
2 its 2022 recorded plant in service²⁵ as \$167,562,093 (almost seven million dollars higher
3 than in the MDR). Liberty Park’s estimated 2023 plant in service is \$165,056,716.²⁶
4 The average of these two years is \$166,309,404, which is \$11,378,980 less than
5 authorized. Similarly, Liberty AVR’s average of 2022 and 2023 plant in service²⁷ is
6 \$181,437,924 or \$6,615,264 less than authorized.

7 Regardless of whether Liberty’s responses to the MDR or updated RO model
8 numbers are used, it is clear Liberty’s customers have paid for items that were never
9 received. The divergence between what Liberty forecasted it would do and what it
10 actually did is essential for the Commission to consider in its determination of forecasts
11 and just and reasonable rates moving forward. Given the importance of being able to
12 accurately compare authorized amounts paid by ratepayers to Liberty’s actual
13 performance, the Commission should require Liberty to provide recorded year data (from
14 July 1 to June 30) that aligns with the test year period in subsequent general rate cases.

15 In addition to the accuracy of the most recent forecasts, the Commission should
16 also consider a utility’s motivations when analyzing its proposed increases in revenue
17 requirements. The only utility profit included in customer rates is the return percentage
18 applied to rate base. Being directly proportional, the higher the rate base, the more profit
19 included in customer rates. Given the nature of regulated monopolies and their profit
20 model, Liberty has little incentive to minimize its capital expenditures (i.e. additions to
21 rate base). This phenomenon is known as the Averch-Johnson Effect²⁸ or more
22 colloquially as “gold plating.” When using a future test year, utilities “have incentives to
23 present biased forecasts that are not always easy for Commission staff and Interveners to

²⁵ PW 25 Ratebase.xlsx Tab “Total RB” Cell “G15”.

²⁶ PW 25 Ratebase.xlsx Tab “Total RB” Cell “H15”.

²⁷ AV 25 Ratebase.xlsx Tab “Tot RB” Cells “F10” and “G10”.

²⁸ Averch, H.A. (2008). Averch-Johnson effect. In: Durlauf, S.N., Blume, L.E. (eds) *The New Palgrave Dictionary of Economics*. Palgrave Macmillan, London. [Averch-Johnson effect | SpringerLink](#).

1 uncover.”²⁹ Liberty’s attempts to add unnecessary and unreasonable capital expenditures
2 and expenses to its revenue requirement are summarized below.

3 **II. EXPENSE**

4 Liberty had an alarming number of errors in its recorded data. Throughout
5 discovery, Liberty conceded to making multiple errors in recording expense data.³⁰
6 More alarming, Liberty was unable to provide receipts or invoices to support many of its
7 alleged expenses.

8 The receipts Liberty could provide included numerous unreasonable expenses that
9 should not be used as justification to increase customer rates. These expenses ranged
10 from gifts for employees, such as \$2,858 for custom Yeti mugs, to a California Angel’s
11 baseball event costing \$5,195. Also included were receipts for donations, gift cards, and
12 employee parties. These expenses are inherently unreasonable for setting customer rates
13 and have no place in forecasting future rates as they are not necessary for providing
14 service. Liberty is free to spend its company money as it sees fit. Liberty is not,
15 however, free to charge ratepayers for costs that are not necessary for providing utility
16 service.³¹

17 Liberty’s unreasonable expenses are not isolated to the above accounts. Liberty’s
18 forecast of performance-based employee incentives should not be included in rates as
19 they primarily benefit shareholders and not ratepayers. The performance metrics that do
20 benefit ratepayers are ordinary requirements that should be expected from meeting
21 minimum job requirements. The utility should not be doubly compensated for

²⁹ National Regulatory Research Institute “Future Test Years: Challenges Posed for State Utility Commissions” by Ken Costello, July 2013. [FA86BF62-93FE-6709-21AB-3E836A9FDD28 \(naruc.org\)](https://www.naruc.org/FA86BF62-93FE-6709-21AB-3E836A9FDD28).

³⁰ See Appendix D for: Liberty’s response to Data Request Response 024-AS, Q.2.c.; Data Request Response 16-RK (dated March 28, 2024), Q.1.c.; Data Request Response 16-RK (dated March 28, 2024), Q.1.f.; Data Request Response 09-KN (dated February 26, 2024), Q.1.a.; Data Request Response 09-KN (dated February 26, 2024), Q.9.a.; and Data Request Response 048-KN, Q.1.

³¹ Public Advocates Office Report and Recommendations on Customer Service, ESJ, and Administrative and General.

1 performing ordinary functions like providing clean water and meeting customer service
2 requirements.³²

3 Liberty was acquired by Algonquin in 2016. In the merger proceeding, Liberty
4 assured the Commission that the transaction would not negatively affect ratepayers. With
5 the benefit of hindsight, it is clear that the merger negatively affected Liberty's
6 ratepayers. Over the last several rate cases, the merger resulted in increased costs to
7 ratepayers with questionable added benefit. For example, Liberty's general office
8 expenses have steadily increased since the merger and Liberty is proposing to continue
9 increasing general office expenses by \$4 million in this rate case. The Commission
10 should reject this unsupported request and allow a five-year average of Liberty's actual
11 recorded expenses.³³

12 Liberty's current rate base also includes millions of dollars in capital projects that
13 are not used and useful. These projects are not providing any benefit to ratepayers and
14 should not be included in rates. For example, Liberty Park includes approximately \$10
15 million of wells in rate base that it acknowledges have not and will not be in operation
16 during this GRC period.³⁴

17 **III. CAPITAL**

18 Liberty's proposed capital budgets are unreasonable. Liberty includes millions of
19 dollars in repeat pipeline projects. These projects were already approved and paid for by
20 ratepayers in the previous GRC. These repeat pipeline projects should not be included in
21 rates until complete and providing service. Additionally, Liberty includes costs for
22 miscellaneous charges that are poorly defined and unsupported. These non-specific
23 miscellaneous and random charges should not be included in rates as they reduce

³² Public Advocates Office Report and Recommendations on O&M Expenses, A&G Expenses, Payroll, and Conservation.

³³ Public Advocates Office Report on Liberty Park and Liberty Apple Valley's General Office Expenses and Rate Base.

³⁴ Public Advocates Office Report on Liberty Park and Liberty Apple Valley's Utility Plant in Service and Water Quality.

1 transparency and needlessly complicate the Commission’s review of specific budget
2 items.³⁵

3 **IV. SALES AND OTHER OPERATING REVENUES**

4 Liberty uses a modified version of the New Committee Method (“NCM”) to
5 forecast much of its customer sales. However, the Commission has developed significant
6 new considerations in sales forecasting since the NCM was introduced. The Commission
7 should use a 5-year weighted average to forecast sales per customer. The 5-year
8 weighted average better matches the trendline of recorded sales and as such should result
9 in a more likely forecast.³⁶

10 Miscellaneous revenues are alternative revenue sources not directly related to
11 providing water to Liberty ratepayers. These revenues result in a reduction to the total
12 revenue requirement that must be recovered from direct sales to ratepayers. As such,
13 Liberty’s under forecasting of these revenues by \$96,000 annually results in unfairly
14 higher rates for customers. Liberty Park also under forecasts its Non-tariffed Products
15 and Services (“NTPS”) revenues from the City of Bell Gardens by approximately
16 \$118,000, of which almost \$102,000 should benefit ratepayers per Commission revenue
17 sharing rules.³⁷

18 Liberty Park’s contract with Suburban to provide water for its Sativa district at
19 \$3,600 an acre foot directly violated the Commission’s guidance on NTPS because
20 Liberty Park was selling water at an anticompetitive rate. Liberty Park’s \$3,600 an acre-
21 foot price is almost 3 times higher than other suppliers in the area such as Metropolitan
22 Water District (“MWD”) and the City of Compton. This anticompetitive, inflated sales
23 price allowed Liberty Park to benefit at the expense of Sativa and other Suburban
24 customers. Liberty Park is now requesting the Commission allow its shareholders to
25 keep most of the revenue. The Commission should not allow Liberty shareholders to

³⁵ Public Advocates Report on Pipeline Replacement, Depreciation Reserve & Expense, Rate Base, and PFAS Memo Account.

³⁶ Public Advocates Report on Sales & Revenues, Rate Design and BAMA.

³⁷ Public Advocates Report on Sales & Revenues, Rate Design and BAMA.

1 benefit from this behavior. The Commission should credit ratepayers with the entire
2 \$571,320 in revenues resulting from the Sativa sales. Furthermore, should Liberty Park
3 continue to sell water to Suburban, the Commission should require it to do so at a
4 reasonable rate that is in line with other local sources.³⁸

5 **V. MEMO AND BALANCING ACCOUNTS**

6 The Commission should deny Liberty’s request to establish a Consumption
7 Revenue Balancing Account (“CBRA”). The proposed CRBA is a revenue decoupling
8 mechanism nearly identical to the Water Revenue Adjustment Mechanism (“WRAM”).
9 Just like WRAM, the CRBA does not benefit ratepayer or conservation efforts. Instead,
10 the CRBA would provide a means by which Liberty could circumvent the GRC process
11 thereby reducing ratepayer protections and utility accountability. The massive amount of
12 under collections recorded in Liberty’s WRAM accounts when they were active illustrate
13 the unfairness of the mechanism. Liberty had an under collection of over \$34,000,000
14 dollars which is the equivalent of \$1,300 in surcharges per customer.³⁹

15 **VI. DISCOVERY ISSUES**

16 Both Cal Advocates and the Commission are dependent on information provided
17 by the utility. This information serves as the basis for Cal Advocates’ recommendations
18 and the Commission’s ultimate decision. It is therefore imperative that the utility take the
19 discovery process seriously and provide accurate responses in a timely manner.

20 Throughout this GRC, Cal Advocates had issues obtaining complete and accurate
21 information from Liberty. To better understand Liberty’s significant increase in test year
22 expenses, Cal Advocates requested Liberty provide recorded data related to its general
23 office payroll. After several data requests, virtual meetings, and other forms of
24 communication, Liberty could still not provide an adequate response.⁴⁰

³⁸ Public Advocates Report on Sales & Revenues, Rate Design and BAMA.

³⁹ Public Advocates Report on Sales & Revenues, Rate Design and BAMA.

⁴⁰ Public Advocates Report on Liberty Park and Liberty Apple Valley’s General Office Expenses and Rate Base.

1 Liberty required multiple follow-ups to provide information that should be readily
2 available. For example, Liberty Park refused to provide its generator hour meter readings
3 when Cal Advocates initially requested them. Cal Advocates needed the readings to
4 understand Liberty Park’s current generator usage both to make sure the current
5 generators are providing service as well as to assess Liberty Park’s requests for additional
6 generators. The Commission has an obligation to make sure assets on which the
7 company is earning a return are actively providing service to ratepayers. Assets that are
8 not used and useful should not be included in rates.

9 In response to discovery, Liberty stated “Liberty Park does not log hour meter
10 readings for generators.”⁴¹ This response was suspect considering generator run times
11 are a common requirement for regulatory agencies throughout the state. In fact, both the
12 California Air resources Board (“CARB”) and the South Coast Air Quality Management
13 District (“SCAQMD”) require Liberty to report hours of operation either annually or
14 monthly.⁴² In response to separate discovery four months later, Liberty provided
15 generator operating logs.⁴³ Had Cal Advocates not requested this information - twice -
16 along with inquiring about the CARB and SCAQMD run time logging requirements, the
17 Commission would have continued to be misled that Liberty does not record such
18 information.

19 Discovery issues were not limited to recorded payroll and generator run times. In
20 response to requests for receipts for both its Customer First program, recorded rate base
21 and several administrative and general spending accounts, Liberty requested significant
22 extensions only to fail to provide the requested information. In relation to its Customer

⁴¹ Appendix D, Data Request Response SIB-006 (Proposed Project Estimates and Historical Projects) Q.10.e (dated February 23, 2024)

⁴² Appendix D, Data Request Response 040-AA (Park Wells Treatment and Other Plant) Q.4.h (dated May 22, 2024)

⁴³ Appendix D, Data Request Response 040-AA (Park Wells Treatment and Other Plant) Q.4.i. (dated May 22, 2024)

1 First program, after multiple data requests and seven weeks, Liberty eventually submitted
2 a self-generated invoice from one division of Liberty to another.⁴⁴

3 Similarly with the administrative and general expense accounts, Liberty objected,
4 delayed, and requested Cal Advocates modify its request only to respond weeks after the
5 initial request with a data dump of hundreds of uncategorized receipts that did not
6 correspond to the specific receipts requested. After extensive back and forth
7 communications and multiple delays, Liberty provided hundreds of unrelated receipts
8 with no organization or categorization. Liberty's data dump was particularly troubling
9 given that Liberty had objected to Cal Advocates' initial request and asked Cal
10 Advocates to reduce the number of receipts requested. Cal Advocates agreed to the
11 request only to receive hundreds of uncategorized receipts that did not correspond to the
12 receipts Cal Advocates requested after considerable delay.⁴⁵

13 The Commission, in its role as a substitute for competition, must ensure every
14 dollar it allows into rates is just and reasonable. No reasonable consumer, let alone
15 business would agree to pay an invoice that simply listed a lump-sum of almost eight
16 million dollars without any explanation or detail on the total charge.⁴⁶ Likewise, no
17 reasonable consumer would agree to pay for charges that cannot be documented through
18 transaction receipts.⁴⁷ The fact that Liberty made repeated extension requests and
19 required multiple follow-up requests only to provide inadequate or unresponsive
20 information is even more concerning.

21 Liberty's inability to provide data that should be readily available should lead the
22 Commission to make an adverse inference regarding the reasonableness of its proposed

⁴⁴ Public Advocates Report on Liberty Park and Liberty Apple Valley's General Office Expenses and Rate Base.

⁴⁵ Public Advocates Report and Recommendations on Customer Service, ESJ, and Administrative and General.

⁴⁶ Public Advocates Report on Liberty Park and Liberty Apple Valley's General Office Expenses and Rate Base.

⁴⁷ Public Advocates Report and Recommendations on Customer Service, ESJ, and Administrative and General.

1 rate increase. Moreover, the Commission should not allow Liberty to update the record
2 with the requested information in rebuttal. Liberty had ample time to provide the
3 requested information throughout discovery in a timely fashion but chose not to do so.

4 **VII. RO MODEL**

5 Liberty provided its RO model with its initial application on January 2, 2024.
6 Liberty provided an updated RO model that included 2023 recorded unaudited data
7 electronically via Kiteworks on April 11, 2024. The RO model Liberty provided
8 electronically had technical issues that prevented the RO model from working correctly.
9 On June 12, 2024 Liberty provided an updated RO model to Cal Advocates on a physical
10 flash drive. The June 12, 2024 flash drive contained the RO model that formed the basis
11 of Cal Advocates' RO workpapers. The June 12, 2024 model contained updated 2023
12 plant related items but still relied on outdated 2023 estimated expense numbers. Cal
13 Advocates' expense forecast is based on the expenses provided in the April 11 RO model
14 update.⁴⁸

15 **VIII. CONCLUSION**

16 For the reasons summarized above and detailed in Cal Advocates' testimony, the
17 Commission should reject Liberty's unreasonable requested increase in customer rates.
18 Overall, the Commission should decrease Liberty's rates to the minimum necessary for
19 Liberty to provide customers with safe and reliable water service. The Commission
20 should require Liberty to provide recorded year data (from July 1 to June 30) that matches
21 the period of its last authorized test year in future GRCs.

⁴⁸ Public Advocates Report and Recommendations on O&M Expenses, A&G Expenses, Payroll, and Conservation.

1 **CHAPTER 2 - ESCALATION YEAR INCREASES**

2 **I. INTRODUCTION**

3 This Chapter includes Cal Advocates’ recommendation for Liberty’s post-test year
4 revenue requirement mechanism. For escalation and attrition filings, in conformance
5 with General Order 96-B, Class A Water Utilities should file Advice Letters proposing
6 new revenue requirements. Advice Letters should follow the escalation procedures set
7 forth in the Rate Case Plan for Class A Water Utilities adopted in Decision 07-05-062
8 and must include supporting workpapers. The Commission should also require Liberty to
9 implement a post-test year revenue requirement mechanism to adjust the escalation years
10 2026 and 2027 revenue requirement whether Liberty is over or under earning.

11 The Commission should also update the escalation factors in the RO model to the
12 most up to date factors available at the time of the decision. Cal Advocates updated its
13 model with escalation factors based on the June 30, 2024 Escalation Memorandum.

14 **II. SUMMARY OF RECOMMENDATIONS**

15 For Liberty’s 2026 and 2027 escalation/attrition year filings, the Commission
16 should require Liberty to file a Tier 2 Advice Letter proposing new revenue requirements
17 and corresponding revised tariff schedules when the filing results in a decrease in tariff
18 rates.

19 The Commission should include in the final decision an ordering paragraph
20 containing the following language:

21 For escalation years 2026 and 2027, GSWC must file Tier 2 advice letters
22 in conformance with General Order 96-B proposing a new revenue
23 requirement and corresponding revised tariff schedule. GSWC’s filings
24 must include rate procedures set forth in the Commission’s Revised Rate
25 Case Plan⁴⁹ for Class A Water Utilities and must include appropriate
26 supporting workpapers. The revised tariff schedules must take effect no
27 earlier than July 1, 2026, and July 1, 2027, respectively, and will apply to
28 service rendered on and after their effective dates. The proposed revisions
29 to revenue requirements and rates must be reviewed by the Commission’s
30 Water Division (“Water Division”). The Water Division must inform the

⁴⁹ D.07-05-062, Appendix A.

1 Commission if it finds that the revised rates do not conform to the Revised
2 Rate Case Plan, this order, or other Commission decisions, and if so, reject
3 the filing.

4 **III. ANALYSIS**

5 Neither the Rate Case Plan, nor the revised Rate Case Plan require Class A Water
6 Utilities to file escalation advice letters to revise revenue requirements and tariff
7 schedules in between the Test Years of a GRC. However, if the decision for this GRC
8 does not require Liberty to file escalation/attrition year revisions, Liberty may choose to
9 file escalation advice letters only during the years it is under earning. Liberty could
10 choose not to file attrition advice letters during years it is over-earning, thereby avoiding
11 any rate decrease regardless of how much, or how often it is over-earning.

12 The Commission should require Liberty to submit an earnings test before
13 authorizing Escalation or Attrition Year increases. If Liberty is over-earning, the
14 Commission should require Liberty to file for the appropriate rate decrease. The
15 Commission has the authority to require downward adjustments if the utility is over-
16 earning. The Commission's decision for California-American Water Company's 2012
17 GRC included this requirement, stating in Ordering Paragraph No. 7:

18 For escalation years 2013 and 2014, California American
19 Water Company shall file Tier 2 advice letters in conformance
20 with General Order 96-B proposing a new revenue requirement
21 and corresponding revised tariff schedules for each district.
22 The filings shall include rate procedures set forth in the
23 Commission's Revised Rate Case Plan (D.07-05-062) for
24 Class A Water Utilities and shall include appropriate
25 supporting workpapers. The revised tariff schedules shall take
26 effect no earlier than January 1, 2013 and January 1, 2014,
27 respectively, and shall apply to service rendered on and after
28 their effective dates. The proposed revisions to revenue
29 requirements and rates shall be reviewed by the Commission's
30 Division of Water and Audits ("DWA"). DWA shall inform
31 the Commission if it finds that the revised rates do not conform

1 to the Revised Rate Case Plan, this order, or other Commission
2 decisions, and if so, reject the filing.⁵⁰

3 **IV. CONCLUSION**

4 For Liberty's 2026 and 2027 escalation/attrition year filings, the Commission
5 should require Liberty to file a Tier 2 Advice Letter proposing new revenue requirements
6 and corresponding revised tariff schedules whether the filing results in an increase or
7 decrease in tariff rates.

⁵⁰ D.12-06-016, Ordering Paragraph 7.

APPENIDX A
QUALIFICATIONS OF WITNESS

1 **QUALIFICATIONS AND PREPARED TESTIMONY**

2 **OF**

3 **SULIMAN IBRAHIM**

4
5 Q.1 Please state your name, business address, and position with the California Public
6 Utilities Commission (“Commission”).

7
8 A1. My name is Suliman Ibrahim and my business address is 320 West 4th Street,
9 Suite 500, Los Angeles, California 90013. I am a Senior Utilities Engineer in the
10 Water Branch of the Public Advocates Office.

11
12 Q2. Please summarize your education background and professional experience.

13
14 A2. I am a licensed Professional Civil Engineer. I graduated from the Illinois Institute
15 of Technology with a Bachelor of Science Degree in Biology. I also have a
16 Master of Science degree in Civil Engineering from California State University,
17 Fullerton. I have been employed at the CPUC since May 2019. Prior to joining
18 the CPUC, I worked in the environmental remediation field and have worked on
19 various treatment systems and remediation projects.

20
21 Q3. What is your responsibility in this proceeding?

22
23 A3. I am responsible for the Executive Summary and the Escalation Year Increases

24
25 Q.4. Does that complete your prepared testimony?

26 A.4. Yes.

27 .

APPENDIX B

Summary of Earnings at Proposed Rates Liberty Park

Summary of Earnings at Proposed Rates Liberty Park TY 2025

	Cal Advocates	Liberty Park	Liberty Park Exceeded Cal Adv.
OPERATING REVENUES	\$ 40,384,337	\$ 50,916,408	\$ 10,532,071
MISCELLANEOUS REVENUE	\$ 970,118	\$ 288,807	\$ (681,310)
TOTAL OPERATING REVENUES	\$ 41,354,455	\$ 51,205,215	\$ 9,850,760
PAYROLL-OPERATIONS	\$ 879,924	\$ 1,127,996	\$ 248,072
OPERATIONS-OTHER	\$ 463,872	\$ 663,561	\$ 199,690
PURCHASED WATER-POTABLE	\$ 9,978,829	\$ 10,453,781	\$ 474,952
PURCHASED WATER-RECLAIMED	\$ 302,570	\$ 229,890	\$ (72,680)
PURCHASED POWER	\$ 881,336	\$ 742,617	\$ (138,719)
LEASED WATER RIGHTS	\$ 266,434	\$ 336,782	\$ 70,348
REPLENISHMENT	\$ 1,656,499	\$ 1,337,910	\$ (318,589)
CHEMICALS	\$ 152,353	\$ 167,299	\$ 14,946
PAYROLL-CUSTOMERS	\$ 590,634	\$ 757,148	\$ 166,514
CUSTOMERS-OTHER	\$ 476,158	\$ 713,405	\$ 237,247
UNCOLLECTIBLES	\$ 231,585	\$ 430,124	\$ 198,539
PAYROLL-MAINTENANCE	\$ 331,478	\$ 361,939	\$ 30,461
MAINTENANCE-OTHER	\$ 834,605	\$ 995,859	\$ 161,253
CLEARINGS	\$ 444,392	\$ 460,931	\$ 16,539
SUB-TOTAL O&M	\$ 17,490,669	\$ 18,779,241	\$ 1,288,572
A & G PAYROLL	\$ 1,514,073	\$ 1,868,597	\$ 354,525
EMPLOYEE BENEFITS	\$ 955,022	\$ 1,031,849	\$ 76,826
INSURANCE	\$ 480,268	\$ 613,854	\$ 133,586
REG. COMM. EXPENSE	\$ 103,668	\$ 224,495	\$ 120,828
FRANCHISE REQUIREMENTS	\$ 161,282	\$ 199,700	\$ 38,418
OUTSIDE SERVICES	\$ 332,949	\$ 271,597	\$ (61,352)
A & G - OTHER	\$ 394,305	\$ 604,397	\$ 210,092
A & G TRANSFERRED CREDIT	\$ (478,089)	\$ (1,378,134)	\$ (900,045)
ALLOCATIONS	\$ 2,253,560	\$ 5,723,635	\$ 3,470,075
SUB-TOTAL A&G	\$ 5,717,037	\$ 9,159,990	\$ 3,442,953
PROPERTY TAXES	\$ 1,587,465	\$ 1,913,403	\$ 325,938
TAXES-OTHER	\$ 150,909	\$ 165,713	\$ 14,804
PAYROLL TAXES	\$ 314,112	\$ 434,865	\$ 120,753
SUB-TOTAL OTHER TAXES	\$ 2,052,486	\$ 2,513,980	\$ 461,495
DEPRECIATION	\$ 3,795,485	\$ 4,979,410	\$ 1,183,926
CA INCOME TAXES	\$ 850,648	\$ 1,092,946	\$ 242,298
FEDERAL INCOME TAXES	\$ 1,739,032	\$ 2,314,627	\$ 575,595
TOTAL EXPENSES	\$ 31,645,355	\$ 38,840,194	\$ 7,194,839
NET REVENUE	\$ 9,709,099	\$ 12,365,021	\$ 2,655,921
TOTAL RATE BASE	\$ 132,017,070	\$ 168,220,132	\$ 36,203,063
RATE OF RETURN	7.35%	7.35%	0.00%

APPENDIX C

Summary of Earnings at Proposed Rates Liberty AVR

Summary of Earnings at Proposed Rates Liberty AVR TY 2025

	Cal Advocates	Liberty AVR	Liberty Park Exceeded Cal Adv.
OPERATING REVENUES	\$ 26,921,077	\$ 33,603,594	\$ 6,682,517
MISCELLANEOUS REVENUE	\$ 163,188	\$ 126,406	\$ (36,782)
TOTAL OPERATING REVENUES	\$ 27,084,265	\$ 33,730,000	\$ 6,645,735
PAYROLL-OPERATIONS	\$ 579,080	\$ 731,860	\$ 152,780
OPERATIONS-OTHER	\$ 346,668	\$ 295,067	\$ (51,601)
PURCHASED POWER	\$ 1,707,820	\$ 1,669,068	\$ (38,752)
LEASED WATER RIGHTS	\$ 239,438	\$ 200,800	\$ (38,638)
REPLENISHMENT	\$ 73,530	\$ 91,030	\$ 17,499
CHEMICALS	\$ 53,005	\$ 51,134	\$ (1,872)
PAYROLL-CUSTOMERS	\$ 394,267	\$ 498,288	\$ 104,021
CUSTOMERS-OTHER	\$ 334,552	\$ 619,482	\$ 284,930
UNCOLLECTIBLES	\$ 133,706	\$ 243,484	\$ 109,778
PAYROLL-MAINTENANCE	\$ 268,595	\$ 339,459	\$ 70,864
MAINTENANCE-OTHER	\$ 874,438	\$ 1,122,775	\$ 248,337
CLEARINGS	\$ 339,502	\$ 387,311	\$ 47,809
SUB-TOTAL O&M	\$ 5,344,602	\$ 6,249,757	\$ 905,155
A & G PAYROLL	\$ 1,388,587	\$ 1,690,442	\$ 301,856
EMPLOYEE BENEFITS	\$ 751,730	\$ 885,577	\$ 133,847
INSURANCE	\$ 824,914	\$ 1,078,780	\$ 253,865
REG. COMM. EXPENSE	\$ 82,953	\$ 179,637	\$ 96,684
FRANCHISE REQUIREMENTS	\$ 254,042	\$ 316,863	\$ 62,821
OUTSIDE SERVICES	\$ 77,600	\$ 476,131	\$ 398,532
A & G - OTHER	\$ 276,376	\$ 422,419	\$ 146,043
A & G TRANSFERRED CREDIT	\$ (721,352)	\$ (1,421,753)	\$ (700,401)
ALLOCATIONS	\$ 1,936,697	\$ 4,576,611	\$ 2,639,914
SUB-TOTAL A&G	\$ 4,871,546	\$ 8,204,706	\$ 3,333,160
PROPERTY TAXES	\$ 1,368,114	\$ 1,483,073	\$ 114,960
TAXES-OTHER	\$ 88,908	\$ 97,632	\$ 8,724
PAYROLL TAXES	\$ 240,216	\$ 350,222	\$ 110,006
SUB-TOTAL OTHER TAXES	\$ 1,697,237	\$ 1,930,927	\$ 233,690
DEPRECIATION	\$ 5,346,969	\$ 5,858,364	\$ 511,395
CA INCOME TAXES	\$ 586,763	\$ 696,093	\$ 109,331
FEDERAL INCOME TAXES	\$ 1,071,897	\$ 1,331,620	\$ 259,723
TOTAL EXPENSES	\$ 18,919,013	\$ 24,271,467	\$ 5,352,454
NET REVENUE	\$ 8,165,251	\$ 9,458,532	\$ 1,293,281
TOTAL RATE BASE	\$ 111,085,058	\$ 128,763,266	\$ 17,678,208
RATE OF RETURN	7.35%	7.35%	0.00%

APPENDIX D

Data Request Responses and Attachments

**APPENDIX D
LIST OF ATTACHMENTS**

Description
Data Request Response SIB-004
Data Request Response SIB-003 (dated February 9, 2024)
Data Request Response SIB-003 (dated February 12, 2024)
Data Request Response SIB-006 (dated February 16, 2024)
Data Request Response SIB-006 (dated February 23, 2024)
Data Request Response 009-KN (dated February 26, 2024)
Data Request Response 009-KN (dated March 6, 2024)
Data Request Response 16-RK (dated March 28, 2024)
Data Request Response 16-RK (dated April 5, 2024)
Data Request Response 024-AS
Data Request Response 040-AA (dated May 22, 2024)
Data Request Response 040-AA (dated May 28, 2024)
Data Request Response 048-KN

Data Request Response SIB-004



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

February 7, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: SIB-004 (DDW Water Loss Program)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Date Received: January 31, 2024
Due Date: February 7, 2024

REQUEST NO. 1:

Referring to the State Water Resources Control Board's Division of Drinking Water's (DDW) Water Loss Program, has Liberty Park made a variance request to DDW since the inception of the program on April 7, 2020? If so, please provide all the variance request documents and a description for all the variance requests for each water system. In addition, has a variance ever been granted, denied, or still pending with DDW? Please provide the communication with DDW for each of these scenarios. Please explain and support with workpapers, an electronic Excel spreadsheet of calculations, including links, and all documents if necessary.

RESPONSE:

Liberty Park has not made any variance requests with DDW.

REQUEST NO. 2:

Referring to the State Water Resources Control Board's Division of Drinking Water's (DDW) Water Loss Program, has Liberty AVR made a variance request to DDW since the inception of the program on April 7, 2020? If so, please provide all the variance request documents and a description for all the variance requests for each water system. In addition, has a variance ever been granted, denied, or still pending with DDW? Please provide the communication with DDW for each of these scenarios. Please explain and support with workpapers, an electronic Excel spreadsheet of calculations, including links, and all documents if necessary.

RESPONSE:

Liberty AVR has not made any variance requests with DDW.

This completes the response to Data Request No. SIB-004. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Data Request Response SIB-003
(dated February 9, 2024)



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

February 9, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: SIB-003 (Excel Workpapers)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Date Received: January 30, 2024
Due Date: February 6, 2024
Extension: February 12, 2024

REQUEST NO. 1:

As part of its application, Liberty (AVR) includes capital project justifications and cost estimates in section 6 of its workpapers. These workpapers include cost estimates in pdf format. Please provide all cost estimates and any other tables not already provided in excel format, with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

Please see the attachments with preface Q1.

REQUEST NO. 2:

As part of its application, Liberty (Park) includes capital project justifications and cost estimates in section 6 of its workpapers. These workpapers include cost estimates in pdf format. Please provide all cost estimates and any other tables not already provided in excel format, with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

Liberty will provide a response on February 12, 2024.

REQUEST NO. 3:

As part of its application, Liberty (AVR) includes a technical report “Analysis of Source and Storage Capacity” in section 14 of its workpapers. These workpapers include multiple tables in pdf format. Please provide all tables included in the report in excel format with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

The MS Excel files used to create the PDF tables are provided as part of this response. Please see the attachments with preface Q3.

REQUEST NO. 4:

As part of its application, Liberty (Park) includes a technical report “Analysis of Source and Storage Capacity” in section 14 of its workpapers. These workpapers include multiple tables in pdf format. Please provide all tables included in the report in excel format with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

There is no such report in Section 14 of these workpapers for Liberty (Park).

REQUEST NO. 5:

Please provide high resolution copies of all Liberty AVR system maps in pdf format.

RESPONSE:

Please see the attachments with preface Q5.

REQUEST NO. 6:

Please provide high resolution copies of all Liberty Park system maps in pdf format.

RESPONSE:

Please see the attachments with preface Q6.

REQUEST NO. 7:

Please provide high resolution copies of all Liberty AVR hydraulic maps in pdf format.

RESPONSE:

Liberty will provide a response on February 12, 2024.

REQUEST NO. 8:

Please provide high resolution copies of all Liberty Park hydraulic maps in pdf format.

RESPONSE:

Liberty will provide a response on February 12, 2024.

REQUEST NO. 9:

Please provide, in Microsoft Excel Format, a list of all capital projects Liberty AVR is proposing. The list should include the following:

- a) Project Name and a brief description.
- b) The date the project is scheduled to be completed.
- c) The total project cost in dollars.
- d) The materials cost in dollars.
- e) The consultant/design cost in dollars.
- f) The inspection cost in dollars.
- g) The permits cost in dollars.
- h) The misc cost in dollars.
- i) The Misc/Plans/Fedex cost in dollars.

RESPONSE:

Please see the attachment with preface Q9.

REQUEST NO. 10:

Please provide, in Microsoft Excel Format, a list of all capital projects Liberty Park is proposing. The list should include the following:

- a) Project Name and a brief description.

- b) The date the project is scheduled to be completed.
- c) The total project cost in dollars.
- d) The materials cost in dollars.
- e) The consultant/design cost in dollars.
- f) The inspection cost in dollars.
- g) The permits cost in dollars.
- h) The misc cost in dollars.
- i) The Misc/Plans/Fedex cost in dollars.

RESPONSE:

Liberty will provide a response on February 12, 2024.

REQUEST NO. 11:

Please provide a shapefile (.shp), KML/KMZ (.kml, .kmz), or geodatabase (.gdb) containing the polygon outlining the location of Park Water and Apple Valley Ranchos Water.

RESPONSE:

Liberty will provide a response on February 12, 2024.

REQUEST NO. 12:

Please provide a shapefile (.shp), KML/KMZ (.kml, .kmz), or geodatabase (.gdb) containing the point locations of Park Water and Apple Valley Ranchos Water 2024 GRC proposed "Plant Projects". You may also provide the locations by submitting a table (.csv or .xlsx) with a list of the projects and their corresponding latitude and longitude coordinates in decimal degrees.

RESPONSE:

Liberty will provide a response on February 12, 2024.

REQUEST NO. 13:

Please provide a shapefile (.shp), KML/KMZ (.kml, .kmz), or geodatabase (.gdb) containing the line segments representing Park Water and Apple Valley Ranchos Water 2024 GRC proposed "Pipeline Replacement Projects".

RESPONSE:

Liberty will provide a response on February 12, 2024.

This completes the partial response to Data Request No. SIB-003. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

**Data Request Response SIB-003
(dated February 12, 2024)**



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

February 12, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: SIB-003 (Excel Workpapers)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Date Received: January 30, 2024
Due Date: February 6, 2024
Extension: February 12, 2024

REQUEST NO. 1:

As part of its application, Liberty (AVR) includes capital project justifications and cost estimates in section 6 of its workpapers. These workpapers include cost estimates in pdf format. Please provide all cost estimates and any other tables not already provided in excel format, with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

The response was provided on February 9, 2024.

REQUEST NO. 2:

As part of its application, Liberty (Park) includes capital project justifications and cost estimates in section 6 of its workpapers. These workpapers include cost estimates in pdf format. Please provide all cost estimates and any other tables not already provided in excel format, with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

Please see the attachments with preface Q2.

REQUEST NO. 3:

As part of its application, Liberty (AVR) includes a technical report “Analysis of Source and Storage Capacity” in section 14 of its workpapers. These workpapers include multiple tables in pdf format. Please provide all tables included in the report in excel format with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

The response was provided on February 9, 2024.

REQUEST NO. 4:

As part of its application, Liberty (Park) includes a technical report “Analysis of Source and Storage Capacity” in section 14 of its workpapers. These workpapers include multiple tables in pdf format. Please provide all tables included in the report in excel format with supporting data and formulas used by Liberty to demonstrate the total figures.

RESPONSE:

The response was provided on February 9, 2024.

REQUEST NO. 5:

Please provide high resolution copies of all Liberty AVR system maps in pdf format.

RESPONSE:

The response was provided on February 9, 2024.

REQUEST NO. 6:

Please provide high resolution copies of all Liberty Park system maps in pdf format.

RESPONSE:

The response was provided on February 9, 2024.

REQUEST NO. 7:

Please provide high resolution copies of all Liberty AVR hydraulic maps in pdf format.

RESPONSE:

Please see the attachments with preface Q7.

REQUEST NO. 8:

Please provide high resolution copies of all Liberty Park hydraulic maps in pdf format.

RESPONSE:

Please see the attachments with preface Q8.

REQUEST NO. 9:

Please provide, in Microsoft Excel Format, a list of all capital projects Liberty AVR is proposing. The list should include the following:

- a) Project Name and a brief description.
- b) The date the project is scheduled to be completed.
- c) The total project cost in dollars.
- d) The materials cost in dollars.
- e) The consultant/design cost in dollars.
- f) The inspection cost in dollars.
- g) The permits cost in dollars.
- h) The misc cost in dollars.
- i) The Misc/Plans/Fedex cost in dollars.

RESPONSE:

The attachment provided in the response on February 9, 2024 was incorrect. Please see the attachment with preface Q9.

REQUEST NO. 10:

Please provide, in Microsoft Excel Format, a list of all capital projects Liberty Park is proposing. The list should include the following:

- a) Project Name and a brief description.
- b) The date the project is scheduled to be completed.
- c) The total project cost in dollars.
- d) The materials cost in dollars.
- e) The consultant/design cost in dollars.
- f) The inspection cost in dollars.
- g) The permits cost in dollars.
- h) The misc cost in dollars.
- i) The Misc/Plans/Fedex cost in dollars.

RESPONSE:

Please see the attachment with preface Q10.

REQUEST NO. 11:

Please provide a shapefile (.shp), KML/KMZ (.kml, .kmz), or geodatabase (.gdb) containing the polygon outlining the location of Park Water and Apple Valley Ranchos Water.

RESPONSE:

Please see the attachments with preface Q11.

REQUEST NO. 12:

Please provide a shapefile (.shp), KML/KMZ (.kml, .kmz), or geodatabase (.gdb) containing the point locations of Park Water and Apple Valley Ranchos Water 2024 GRC proposed "Plant Projects". You may also provide the locations by submitting a table (.csv or .xlsx) with a list of the projects and their corresponding latitude and longitude coordinates in decimal degrees.

RESPONSE:

Please see the attachment with preface "Q12 and Q13".

REQUEST NO. 13:

Please provide a shapefile (.shp), KML/KMZ (.kml, .kmz), or geodatabase (.gdb) containing the line segments representing Park Water and Apple Valley Ranchos Water 2024 GRC proposed "Pipeline Replacement Projects".

RESPONSE:

Please see the response to Question 12.

This completes the supplemental response to Data Request No. SIB-003. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Data Request Response SIB-006
(dated February 16, 2024)



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

February 16, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: SIB-006 (Proposed Project Estimates and Historical Projects)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov

Date Received: February 6, 2024

Due Date: February 13, 2024

Extension: February 16, 2024

REQUEST NO. 1:

SECTION 6 WORKPAPERS Liberty AVR includes Project Justification and Estimates for its proposed projects. These include several line items including Misc, and Misc/Plans/Fedex.

- a) Please explain in detail what the Consultant/Design line item includes.
- b) How does Liberty AVR estimate its Consultant/Design line item cost?
- c) Please explain in detail what the Inspection line item cost includes.
- d) How does Liberty AVR calculate its Inspection line item cost?
- e) Please explain in detail what the Permits line item cost includes.
- f) How does Liberty AVR calculate its Permits line items cost?
- g) Please explain in detail what the Misc line item cost includes.

- h) How does Liberty AVR calculate its Misc line item cost?
- i) Please explain in detail what the Misc/Plans/Fedex line item cost includes.
- j) How does Liberty AVR calculate its Misc /Plans/Fedex line item cost?
- k) Please provide detailed support to substantiate Liberty AVR's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) The consultant/design line item is the estimated cost for consultants to provide design and engineering services on a capital improvement project. These services include utility research, topographic surveys and geotechnical analysis if necessary. The design plans typically include plan, profile, and detail views.
- b) For pipeline design, Liberty AVR estimates the consultant/design line item based on the total footage of the new pipeline installation. Projects with 3,500 linear feet or less of pipeline installation are assigned a design cost of \$ 45,000. Projects above 3,500 linear feet are estimated at \$60,000 - \$75,000. This methodology has been used in prior general rate case cycles.
- c) The inspection line item is the estimated cost for a third-party inspector to provide inspection services during construction. In addition, the inspection firm provides GPS data collection, GIS integration, and as-built preparation.
- d) The inspection cost is estimated using an inspection rate of \$240 per hour. The length of construction is approximated per project. For AVR, an estimate of 275 hours is typically used.
- e) The permit line item is the estimated cost to pull a construction permit from the Town of Apple Valley. The permit allows Liberty to cut into the right-of-way and perform construction activities such as main installations and abandonments.
- f) The permit fee for the Town of Apple Valley is estimated at \$1,200 per project. This amount has been used in past general rate case proceedings.
- g) The miscellaneous line item is used for additional work not covered in design or construction. This line item can be allotted for cost estimates such as traffic control plan, electrical work, or site work.
- h) The miscellaneous line item is estimated based on the type of activities to be performed. A historical cost estimate may be used or a budgetary number provided by a supplier. No miscellaneous estimates have been added to pipeline cost estimates at this time.

- i) The misc/plan/fedex line item is mainly used for printing expense of design plans. Hard copies are provided to the Town, Fire District, contractors, inspectors, operators and engineers involved in a project.
- j) An estimated cost of \$1,000 is used for each project.
- k) Please see the attachments with preface Q1k and Q1k-Q2k for vendor quotes and historical projects data to support consultant design, inspection rates, permits, and miscellaneous charges.

REQUEST NO. 2:

SECTION 6 WORKPAPERS Liberty Park includes Project Justification and Estimates for its proposed projects. These include several line items including Misc, and Misc/Plans/Fedex.

- a) Please explain in detail what the Consultant/Design line item includes.
- b) How does Liberty Park estimate its Consultant/Design line item cost?
- c) Please explain in detail what the Inspection line item cost includes.
- d) How does Liberty Park calculate its Inspection line item cost?
- e) Please explain in detail what the Permits line item cost includes.
- f) How does Liberty Park calculate its Permits line items cost?
- g) Please explain in detail what the Misc line item cost includes.
- h) How does Liberty Park calculate its Misc line item cost?
- i) Please explain in detail what the Misc/Plans/Fedex line item cost includes.
- j) How does Liberty Park calculate its Misc /Plans/Fedex line item cost?
- k) Please provide detailed support to substantiate Liberty AVR's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) The consultant/design line item is the estimated cost for consultants to provide design and engineering services on a capital improvement project. These services include utility research, topographic surveys and geotechnical analysis if necessary. The design plans typically include plan, profile, and detail views.
- b) For pipeline design, Liberty Park estimates the consultant/design line item based on the total footage of the new pipeline installation. Projects with 3,000 linear feet or less of pipeline installation are assigned a design cost of \$45,000-\$50,000. Projects above 3,000 linear feet are estimated at \$75,000. This methodology has been used in prior general rate

case cycles.

- c) The inspection line item is the estimated cost for a third-party inspector to provide inspection services during construction. In addition, the inspection firm provides GPS data collection, GIS integration, and as-built preparation.
- d) The inspection cost is estimated using an inspection rate of \$240 per hour. The length of construction is approximated per project. For Park, an estimate of 320 to 480 hours is used.
- e) The permit line item is the estimated cost to pull a construction permit from the City or County the project resides in. The permit allows Liberty to cut into the right-of-way and perform construction activities such as main installations and abandonments.
- f) The permit fee is estimated at \$6 per linear foot of new pipeline to be installed. This methodology has been used in prior general rate case proceedings.
- g) The miscellaneous line item is used for additional work not covered in design or construction. This line item can be allotted for cost estimates such as traffic control plan, electrical work, or site work.
- h) The miscellaneous line item is estimated based on the type of activities to be performed. A historical cost estimate may be used or a budgetary number provided by a supplier. No miscellaneous estimates have been added to pipeline cost estimates at this time.
- i) The misc/plan/fedex line item is mainly used for printing expense of design plans. Hard copies are provided to the City/County, Fire Department, contractors, inspectors, operators and engineers involved in a project.
- j) An estimated cost of \$1,000 is used for each project.
- k) Please see the attachments with preface Q2k and Q1k-Q2k for vendor quotes and historical costs of projects to support consultant design, inspection rates, permits, and miscellaneous charges.

REQUEST NO. 3:

SECTION 6 WORKPAPERS Liberty AVR includes Project Justification and Estimates for its proposed projects. These include in house, field, and office labor hours.

- a) Please explain in detail how Liberty AVR estimates these hours.
- b) Please explain in detail how Liberty AVR Estimates the Field Labor w/Burden cost.
- c) Please explain in detail how Liberty AVR Estimates the Office Labor w/Burden cost.
- d) Please explain in detail what the Trans Clrg Burden cost includes.
- e) Please explain in detail how Liberty AVR calculates the Trans Clrg Burden, including the

methodologies or justifications for Liberty AVR's calculations.

- f) Please explain in detail what the Tools/Equip Burden includes.
- g) Please explain in detail how Liberty AVR calculates the Tools/Equip Burden.
- h) Are any of the above costs (a through g) considered capitalized expenses? Please explain in detail.
- i) If any of these costs are capitalized expenses, are they removed from the expense forecast? Please explain in detail.
- j) Please provide a brief explanation including cell references of how capitalized expenses estimated and removed from expenses in the Results of Operation model.
- k) Please provide detailed support to substantiate Liberty AVR's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) Liberty staff utilized engineering judgement in determining payroll hours charged to the individual capital projects per category (field or office). These estimates are in-line with experience of similar sized projects. A MS Excel file is included which provides historical data of payroll hours per capital project. Please see the attachment with preface Q3a-Q4a, tab "AVR".
- b) Liberty staff utilized engineering judgement in determining payroll rates charged to the individual capital projects per category (field or office). These estimates are in-line with experience of similar sized projects.
- c) See b. above.
- d) Transportation clearings burden includes costs associated with operating and maintaining transportation equipment including cars, trucks, vans, and trailers, among other modes of transportation.
- e) In general, burdens are calculated by dividing the various expense categories by the salaries based on payroll hours, excluding paid time off. Transportation clearing burden is calculated by taking the prior year of transportation expenses divided by hours worked. The transportation clearing hourly rate is then applied to the total estimated hours and salary hourly for each project to derive the transportation clearing burden amount to be included in each project. This methodology has been used and accepted by the Commission in prior general rate case proceedings.
- f) Tools/Equipment clearings burden includes costs associated with operating and

maintaining power operated equipment including equipment used in construction and maintenance work such as trenchers, cranes, backhoes, compressors, etc. and small hand tools such as shovels, wrenches, prybars, power operated saws, jackhammers, etc.

- g) The tools/equip burden is calculated by taking the prior year tools and equipment expenses divided by maintenance hours worked. The tools/equip hourly rate is then applied to the total estimated hours and salary rate to derive the tools/equip burden amount to be included in each project.
- h) Please see response to Question 3j.
- i) Please see response to Question 3j.
- j) The direct and indirect capitalized and direct charged expenses are reflected in the Results of Operations (RO) model. The direct expenses consist of payroll, payroll burdens, transportation, tools and stores clearing burdens. Although the amounts reflected in the RO may not totally aligned with the capital improvements, the approach is similar. The primary difference between the RO and the capital improvements is that the RO contained estimates of direct charged payroll to other entities whereas the capital improvements only contained capitalized payroll and payroll related costs charging to capital projects. The RO develops payroll and payroll related expenses by position, where it is estimating a percentage of each position's related costs are capitalized and/or direct charged to other entities, reducing expenses by the capitalized and direct charged payroll and payroll related expenses (consist of benefits, workers' compensation insurance, and payroll taxes). See files "AV25 2024 Payroll CONFIDENTIAL", "AV25 2025 Payroll CONFIDENTIAL", and "AV25 2026 Payroll CONFIDENTIAL" for the development of payroll expenses. For the transportation, tools, and stores clearing burdens, the RO estimates are based on a five-year (2018-2022) recorded average. See file "AV25 Expenses", tab "ExpenseDetail", cells N276:R276, N293:R293, and N308:R308. The RO also reflects the 8% of indirect expenses. See files "AV25 Expenses", tab "ExpenseDetail", cells N467:R467, "IR25 Expenses, tab "ExpenseDetail", cells N60:R60, and "AV25 RCBD", tabs "BURDENCALC (AVR)", cells F17:I17 and "BURDCALC (IRR)", cells F17:I17.
- k) Please see the attachment with preface Q3 for the development of the burdens rates used in capital projects.

REQUEST NO. 4:

SECTION 6 WORKPAPERS Liberty Park includes Project Justification and Estimates for its proposed projects. These include in house, field, and office labor hours.

- a) Please explain in detail how Liberty Park estimates these hours.
- b) Please explain in detail how Liberty Park Estimates the Field Labor w/Burden cost.
- c) Please explain in detail how Liberty Park Estimates the Office Labor w/Burden cost.
- d) Please explain in detail what the Trans Clrg Burden cost includes.
- e) Please explain in detail how Liberty Park calculates the Trans Clrg Burden.
- f) Please explain in detail what the Tools/Equip Burden includes.
- g) Please explain in detail how Liberty Park calculates the Tools/Equip Burden.
- h) Are any of the above costs (a through g) considered capitalized expenses? Please explain in detail.
- i) If any of these costs are capitalized expenses, are they removed from the expense forecast? Please explain in detail.
- j) Please provide a brief explanation including cell references of how capitalized expenses estimated and removed from expenses in the RO model.
- k) Please provide a brief explanation including cell references of how capitalized expenses estimated and removed from expenses in the RO model.

RESPONSE:

- a) Liberty staff utilized engineering judgement in determining payroll hours charged to the individual capital projects per category (field or office). These estimates are in-line with experience of similar sized projects. A MS Excel file is included which provides historical data of payroll hours per capital project. Please see the attachment with preface Q3a-Q4a, tab "CB".
- b) Liberty staff utilized engineering judgement in determining payroll rates charged to the individual capital projects per category (field or office). These estimates are in-line with experience of similar sized projects.
- c) See b. above.
- d) Transportation clearings burden includes costs associated with operating and maintaining transportation equipment including cars, trucks, vans, and trailers, among other modes of transportation.
- e) In general, burdens are calculated by dividing the various expense categories by the salaries based on payroll hours, excluding paid time off. Transportation clearing burdens are calculated by taking the prior year of transportation expenses divided by hours worked. The transportation burden hourly rate is then applied to the total estimated hours

and salary hourly rate to derive the transportation clearing burdens for each project. This methodology has been used and accepted by the Commission in prior general rate case proceedings.

Please see the attachment with preface Q4e for the development of burdens rates used in capital projects.

- f) Tools/Equipment clearings burden includes costs associated with operating and maintaining power operated equipment including equipment used in construction and maintenance work such as trenchers, cranes, backhoes, compressors, etc. and small hand tools such as shovels, wrenches, prybars, power operated saws, jackhammers, etc.
- g) The tools and equipment burdens are calculated by taking the prior year tools and equipment expenses divided by maintenance hours worked. The tools and equipment burden hourly rate is then applied to the total estimated hours and salary rates to derive the tools/equip burdens for each project.
- h) Please see response to 4k.
- i) Please see response to 4k.
- j) Please see response to 4k.
- k) The direct and indirect capitalized and direct charged expenses are reflected in the Results of Operations (RO) model. The direct expenses consist of payroll, payroll burdens, transportation, tools and stores clearing burdens. Although the amounts reflected in the RO may not totally aligned with the capital improvements, the approach is similar. The primary difference between the RO and the capital improvements is the RO contained estimates of direct charged payroll to other entities whereas the capital improvements only contained capitalized payroll and payroll related costs charging to capital projects. The RO develops payroll and payroll related expenses by position, where it is estimating a percentage of each position's related costs are capitalized and/or direct charged to other entities, reducing expenses by the capitalized and direct charged payroll and payroll related expenses (consist of benefits, workers' compensation insurance, and payroll taxes). See files "PW25 2024 Payroll CONFIDENTIAL", "PW25 2025 Payroll CONFIDENTIAL", and "PW25 2026 Payroll CONFIDENTIAL". For the transportation, tools, and stores clearing burdens, the RO estimates are based on a five-year (2018-2022) recorded average. See file "PW25 Expenses", tab "ExpenseDetail", cells N347:R347, N365:R365, and N377:R377. The RO also reflects the 8% of indirect expenses. See files

“PW25 Expenses”, tab “ExpenseDetail”, cells R527:N527 and “PW25 RCBD”, tab “BURDENCALC”, cells E17:I17.

REQUEST NO. 5:

Liberty AVR uses an inflation factor of 6.08% for each year 2024 through 2027.

- a) Please explain how Liberty AVR calculated this factor.
- b) Please provide detailed support to substantiate Liberty AVR’s responses above. This includes but is not limited to internal communications and memorandums, quotes and estimates (performed internally within Liberty Utilities or compiled by a third-party vendor), engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) The inflation factor was calculated by taking the five-year average of the California Construction Cost Index (CCCI) from 2018 to 2022. The CCCI is based on the Building Cost Index and takes the average cost markers for San Francisco and Los Angeles. The Building Cost Index is produced by Engineering News Report and is published every month.
- b) Please see the attachment with preface Q5b-6b for the historical California Construction Cost Index from 2016 to 2022.

REQUEST NO. 6:

Liberty Park uses an inflation factor of 6.08% for each year 2024 through 2027.

- a. Please explain how Liberty Park calculated this factor.
- b. Please provide detailed support to substantiate Liberty Park’s responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates (performed internally within Liberty Utilities or compiled by a third-party vendor), engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) The inflation factor was calculated by taking the five-year average of the California Construction Cost Index (CCCI) from 2018 to 2022. The CCCI is based on the Building Cost Index and takes the average cost markers for San Francisco and Los Angeles. The Building Cost Index is produced by Engineering News Report and is published every

month.

- b) Please see the attachment with preface Q5-6b for the historical California Construction Cost Index from 2016 to 2022.

REQUEST NO. 7:

Please provide, in Microsoft Excel Format, a list of all electric pumping equipment capital projects Liberty AVR added into plant in service between 2010 and 2018. The list should include the following:

- a) Project Name and a specific description of how the equipment is being used.
- b) The date the project was completed.
- c) The total project cost in dollars.
- d) The current status of the project (active or retired), on January 1, 2024.
- e) The hour meter reading for each pump on January 1 of each year it has been in service.

RESPONSE:

Cal Advocates granted an extension until February 23, 2024.

REQUEST NO. 8:

Please provide, in Microsoft Excel Format, a list of all electric pumping equipment capital projects Liberty Park added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each pump on January 1 of each year it has been in service.

RESPONSE:

Cal Advocates granted an extension until February 23, 2024.

REQUEST NO. 9:

Please provide, in Microsoft Excel Format, a list of all generator equipment capital projects (including mobile generators, emergency backup generators, etc.) Liberty AVR added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each generator on January 1 of each year it has been in service.

RESPONSE:

Cal Advocates granted an extension until February 23, 2024.

REQUEST NO. 10:

Please provide, in Microsoft Excel Format, a list of all generator equipment capital projects (including mobile generators, emergency backup generators, etc.) Liberty Park added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each generator on January 1 of each year it has been in service.

RESPONSE:

Cal Advocates granted an extension until February 23, 2024.

REQUEST NO. 11:

Please provide, in Microsoft Excel Format, a list of all flowmeters other than those that meter customer usage for the purpose of customer billing Liberty AVR added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each generator on January 1 of each year it has been in service.

RESPONSE:

Cal Advocates granted an extension until February 23, 2024.

REQUEST NO. 12:

Please provide, in Microsoft Excel Format, a list of all flowmeters other than those that meter customer usage for the purpose of customer billing Liberty Park added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each generator on January 1 of each year it has been in service.

RESPONSE:

Cal Advocates granted an extension until February 23, 2024.

This completes the partial response to Data Request No. SIB-006. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Data Request Response SIB-006
(dated February 23, 2024)



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

February 23, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: SIB-006 (Proposed Project Estimates and Historical Projects)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov

Date Received: February 6, 2024

Due Date: February 13, 2024

Extension: February 23, 2024

REQUEST NO. 1:

SECTION 6 WORKPAPERS Liberty AVR includes Project Justification and Estimates for its proposed projects. These include several line items including Misc, and Misc/Plans/Fedex.

- a) Please explain in detail what the Consultant/Design line item includes.
- b) How does Liberty AVR estimate its Consultant/Design line item cost?
- c) Please explain in detail what the Inspection line item cost includes.
- d) How does Liberty AVR calculate its Inspection line item cost?
- e) Please explain in detail what the Permits line item cost includes.
- f) How does Liberty AVR calculate its Permits line items cost?
- g) Please explain in detail what the Misc line item cost includes.

- h) How does Liberty AVR calculate its Misc line item cost?
- i) Please explain in detail what the Misc/Plans/Fedex line item cost includes.
- j) How does Liberty AVR calculate its Misc /Plans/Fedex line item cost?
- k) Please provide detailed support to substantiate Liberty AVR's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was submitted on February 16, 2024.

REQUEST NO. 2:

SECTION 6 WORKPAPERS Liberty Park includes Project Justification and Estimates for its proposed projects. These include several line items including Misc, and Misc/Plans/Fedex.

- a) Please explain in detail what the Consultant/Design line item includes.
- b) How does Liberty Park estimate its Consultant/Design line item cost?
- c) Please explain in detail what the Inspection line item cost includes.
- d) How does Liberty Park calculate its Inspection line item cost?
- e) Please explain in detail what the Permits line item cost includes.
- f) How does Liberty Park calculate its Permits line items cost?
- g) Please explain in detail what the Misc line item cost includes.
- h) How does Liberty Park calculate its Misc line item cost?
- i) Please explain in detail what the Misc/Plans/Fedex line item cost includes.
- j) How does Liberty Park calculate its Misc /Plans/Fedex line item cost?
- k) Please provide detailed support to substantiate Liberty AVR's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was submitted on February 16, 2024.

REQUEST NO. 3:

SECTION 6 WORKPAPERS Liberty AVR includes Project Justification and Estimates for its proposed projects. These include in house, field, and office labor hours.

- a) Please explain in detail how Liberty AVR estimates these hours.
- b) Please explain in detail how Liberty AVR Estimates the Field Labor w/Burden cost.
- c) Please explain in detail how Liberty AVR Estimates the Office Labor w/Burden cost.
- d) Please explain in detail what the Trans Clrg Burden cost includes.
- e) Please explain in detail how Liberty AVR calculates the Trans Clrg Burden, including the methodologies or justifications for Liberty AVR's calculations.
- f) Please explain in detail what the Tools/Equip Burden includes.
- g) Please explain in detail how Liberty AVR calculates the Tools/Equip Burden.
- h) Are any of the above costs (a through g) considered capitalized expenses? Please explain in detail.
- i) If any of these costs are capitalized expenses, are they removed from the expense forecast? Please explain in detail.
- j) Please provide a brief explanation including cell references of how capitalized expenses estimated and removed from expenses in the Results of Operation model.
- k) Please provide detailed support to substantiate Liberty AVR's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was submitted on February 16, 2024.

REQUEST NO. 4:

SECTION 6 WORKPAPERS Liberty Park includes Project Justification and Estimates for its proposed projects. These include in house, field, and office labor hours.

- a) Please explain in detail how Liberty Park estimates these hours.
- b) Please explain in detail how Liberty Park Estimates the Field Labor w/Burden cost.
- c) Please explain in detail how Liberty Park Estimates the Office Labor w/Burden cost.
- d) Please explain in detail what the Trans Clrg Burden cost includes.
- e) Please explain in detail how Liberty Park calculates the Trans Clrg Burden.
- f) Please explain in detail what the Tools/Equip Burden includes.
- g) Please explain in detail how Liberty Park calculates the Tools/Equip Burden.
- h) Are any of the above costs (a through g) considered capitalized expenses? Please explain in detail.
- i) If any of these costs are capitalized expenses, are they removed from the expense

forecast? Please explain in detail.

- j) Please provide a brief explanation including cell references of how capitalized expenses estimated and removed from expenses in the RO model.
- k) Please provide a brief explanation including cell references of how capitalized expenses estimated and removed from expenses in the RO model.

RESPONSE:

The response was submitted on February 16, 2024.

REQUEST NO. 5:

Liberty AVR uses an inflation factor of 6.08% for each year 2024 through 2027.

- a) Please explain how Liberty AVR calculated this factor.
- b) Please provide detailed support to substantiate Liberty AVR's responses above. This includes but is not limited to internal communications and memorandums, quotes and estimates (performed internally within Liberty Utilities or compiled by a third-party vendor), engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was submitted on February 16, 2024.

REQUEST NO. 6:

Liberty Park uses an inflation factor of 6.08% for each year 2024 through 2027.

- a. Please explain how Liberty Park calculated this factor.
- b. Please provide detailed support to substantiate Liberty Park's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates (performed internally within Liberty Utilities or compiled by a third-party vendor), engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was submitted on February 16, 2024.

REQUEST NO. 7:

Please provide, in Microsoft Excel Format, a list of all electric pumping equipment capital

projects Liberty AVR added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each pump on January 1 of each year it has been in service.

RESPONSE:

- a. Please see the attachment with preface Q7, Columns A and B
- b. Please see the attachment with preface Q7, Columns C through L
- c. Please see the attachment with preface Q7, Column M.
- d. Please see the attachment with preface Q7, Column N. The status of the project provided is as of December 31, 2022. At this point, Liberty's books are not closed as year-end accounting close procedures are ongoing; therefore, the 2023 data is not available. Liberty will provide the 2023 recorded data on April 11, 2024 as allowed in the rate case plan (RCP).
- e. Please see the attachment with preface Q7, Columns O through AB. Projects without a meter reading have been left blank.

REQUEST NO. 8:

Please provide, in Microsoft Excel Format, a list of all electric pumping equipment capital projects Liberty Park added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each pump on January 1 of each year it has been in service.

RESPONSE:

- a. Please see the attachment with preface Q8, Columns A and B.
- b. Please see the attachment with preface Q8, Columns C through L.
- c. Please see the attachment with preface Q8, Column M.

- d. Please see the attachment with preface Q7, Column N. The status of the project provided is as of December 31, 2022. At this point, Liberty's books are not closed as year-end accounting close procedures are ongoing; therefore, the 2023 data is not available. Liberty will provide the 2023 recorded data on April 11, 2024 as allowed in the rate case plan (RCP).
- e. Liberty Park does not log hour meter readings.

REQUEST NO. 9:

Please provide, in Microsoft Excel Format, a list of all generator equipment capital projects (including mobile generators, emergency backup generators, etc.) Liberty AVR added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each generator on January 1 of each year it has been in service.

RESPONSE:

Liberty Apple Valley did not have any generators added into plant in service between 2010 and 2018.

REQUEST NO. 10:

Please provide, in Microsoft Excel Format, a list of all generator equipment capital projects (including mobile generators, emergency backup generators, etc.) Liberty Park added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The hour meter reading for each generator on January 1 of each year it has been in service.

RESPONSE:

- a. Please see the attachment with preface Q10, Columns A and B
- b. Please see the attachment with preface Q10, Columns C through L
- c. Please see the attachment with preface Q10, Column M.
- d. Please see the attachment with preface Q7, Column N. The status of the project provided is as of December 31, 2022. At this point, Liberty's books are not closed as year-end accounting close procedures are ongoing; therefore, the 2023 data is not available. Liberty will provide the 2023 recorded data on April 11, 2024 as allowed in the rate case plan (RCP).
- e. Liberty Park does not log hour meter readings for generators.

REQUEST NO. 11:

Please provide, in Microsoft Excel Format, a list of all flowmeters other than those that meter customer usage for the purpose of customer billing Liberty AVR added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The flowmeter reading for each flowmeter on January 1 of each year it has been in service.

RESPONSE:

- a. Please see the attachment with preface Q11, columns A and B
- b. Please see the attachment with preface Q11, columns C through L
- c. Please see the attachment with preface Q11, column M.
- d. Please see the attachment with preface Q11, column N. The status of the project provided is as of December 31, 2022. At this point, Liberty's books are not closed as year-end accounting close procedures are ongoing; therefore, the 2023 data is not available. Liberty will provide the 2023 recorded data on April 11, 2024 as allowed in the rate case plan (RCP).
- e. Please see the attachment with preface Q11, columns O through AB.

REQUEST NO. 12:

Please provide, in Microsoft Excel Format, a list of all flowmeters other than those that meter customer usage for the purpose of customer billing Liberty Park added into plant in service between 2010 and 2018. The list should include the following:

- a. Project Name and a specific description of how the equipment is being used.
- b. The date the project was completed.
- c. The total project cost in dollars.
- d. The current status of the project (active or retired), on January 1, 2024.
- e. The flowmeter reading for each flowmeter on January 1 of each year it has been in service.

RESPONSE:

- a. Please see the attachment with preface Q12, columns A and B
- b. Please see the attachment with preface Q12, columns C through L
- c. Please see the attachment with preface Q12, column M.
- d. Please see the attachment with preface Q12, column N. The status of the project provided is as of December 31, 2022. At this point, Liberty's books are not closed as year-end accounting close procedures are ongoing; therefore, the 2023 data is not available. Liberty will provide the 2023 recorded data on April 11, 2024 as allowed in the rate case plan (RCP).
- e. Please see the attachment with preface Q11, columns O through AB.

This completes the supplemental response to Data Request No. SIB-006. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

**Data Request Response 009-KN
(dated February 26, 2024)**



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

February 26, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 009-KN (O&M Expenses)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Katherine Nguyen Katherine.Nguyen@cpuc.ca.gov
Date Received: February 16, 2024
Due Date: February 26, 2024

REQUEST NO. 1:

Refer to PW Expense and AVR Expense Tab “ExpenseDetail. Within the Expense excel files, Liberty added “Remove COVID Related Expenses” to some accounts in the year 2020.

- a. For the accounts listed below, please give an itemized list of the removed expenses in excel format and include a detailed description of each
 - i. Uniforms, Oth-Cust Acct Rec/Coll, Equip Mt-General Plant, Parts & Suppl-Tools/Wk Cl.

- b. Please provide detailed support to substantiate Liberty Park's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) Please see the attachments with preface Q1a-b, tab "Sum" for the itemized list of removed expenses and cells where the adjustments are being made. Please note the formula errors (tab "Sum", column J) indicated for Liberty Apple Valley—formulas need to be corrected reflecting the adjustments. For a detailed description of each expense item, please see tab "GL", Columns L and P.
- b) In response to the COVID-19 pandemic, the Commission authorized a Catastrophic Event Memorandum "CEMA", effective March 4, 2020, for Liberty Apple Valley and Liberty Park Water, Advice Letters (AL) 239-W and 297-W respectively. The purpose of the CEMA is to track the loss revenues and costs associated with that event. In accordance with D.21-07-029 (R17-06-024), the CEMA was terminated on February 1, 2022. The costs (customer communications, credit card fees, office disinfecting, related supplies, such as masks, hand sanitizers, wipes, etc.) associated with the COVID pandemic are tracked in the CEMA. As such, the expenses listed in response to Question 1a are removed for forecasting purposes.

REQUEST NO. 2:

Refer to PW Expense Excel Object Account 7717 Subsidiary 663. **"Oth-T&D Op Meter Exp":**

- a. Please explain in detail what the line item entails.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2019 (\$372,060.66 for 2018 and \$186,607.42 for 2019).
- c. Please provide the average age of Liberty Park meters and its replacement rates.
- d. Please explain how Liberty Park calculates the average age of its meters and the replacement rates.
- e. Please provide detailed support to substantiate Liberty Park's responses from 2a. to 2d. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact

RESPONSE:

- a) This expense account primarily contained outside contractors' costs Liberty utilizes to assist with meter replacements.
- b) Please see the attachment with preface Q2b for the 2018 and 2019 general ledger transactions detail.
- c) The average age of the meters as of December 31, 2022 was five years. Please see the attachment with preface Q1c for the development of the average age of the meters.
- d) As indicated in Chapter VI of Exhibit B, Liberty Park needs to continue replacing meters (9% annually) to keep up with meter aging and battery failure rates. As such, Liberty Park anticipates, based on a 5-year escalated recorded average (2018 through 2022), a need for outside contractors for the test year to assist with its meter replacement program, especially for large meter replacements.

REQUEST NO. 3:

Refer to PW Expense Park object account 7717 Subsidiary 677. **"Oth-T&D Mt Hydrants"**

- a. Please explain in detail what the line item entails.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2022 (\$25,199.77 for 2018 and \$4,820.34 for 2022).
- c. Please provide the average age of Park hydrants and their replacement rates.
- d. Please explain how Liberty Park calculates the average age of its meters and the replacement rates.
- e. Please provide detailed support to substantiate Liberty Park's responses above. This includes but is not limited to internal communications and memorandums vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) This expense account primarily contained hydrant maintenance costs, including replacing, repairing, painting, and related supplies costs.
- b) Please see the response to 3e.
- c) The average age of the hydrants as of December 31, 2022 was about 30.
- d) Please see the attachment with preface Q3d.
- e) Liberty exercises the fire hydrants in its water systems at least once every three years. The

exercise program identifies hydrants that need to be replaced or repaired. As such, Liberty Park's estimate of the hydrant maintenance, based on a five-year average (2018 through 2022), is reasonable.

REQUEST NO. 4:

Refer to PW Expense Park object account 7716 Subsidiary 932 and Q10 SIB-001 PW Expenses 2018-2022. **"Paint/Coat-General Plant":**

- a. Please provide a detailed explanation for the expenditures for the year 2018.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 (\$36,166 in 2018).
- c. Does Liberty Park have any forecasted projects for Paint/Coat-General Plant that Liberty Park will be performing during the projected years?
- d. Please provide detailed support to substantiate Liberty Park's responses from 4a. to 4c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) This expense account contained costs associated with painting of the office building.
- b) Please see the attachment with preface Q4b.
- c) Painting property is not classified as a capital improvement and thus is expensed rather than capitalized. Consequently, this expenditure is not contingent upon capital projects. Occasional minor painting of both interior and exterior surfaces may be necessary. Therefore, Liberty's estimation of this expense account using a 5-year average is reasonable.
- d) Please see the response to 4a through 4c.

REQUEST NO. 5:

Refer to PW Expense Park object account 7717 Subsidiary 665 and Q10 SIB-001 PW Expenses 2018-2022. **"Temp Labor-T&D Misc Expense":**

- a. Please provide a detailed explanation for the expenditures for the year 2018.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 (\$27,579 in 2018).

- c. Did Liberty Park hire outside services for the "Temp Labor-T&D Misc Expense" for the historical years (2018 to 2022)?
- d. Does Liberty Park plan on hiring outside services for the "Temp Labor-T&D Misc Expense" for the projected years (2023 to 2028)?
 - i. If yes, please provide a list of consultants and/or vendors related to the listed items. For each of the vendors/consultants, did Liberty issue a Request for Proposal?
 - ii. If Liberty issued a Request for Proposal, indicate the number of bids received for each service listed. Provide the Request for Proposal. If not, please explain why not?
 - iii. Please provide the bid responses that Liberty received.
 - iv. Please provide copies of any all fully executed contracts, including Amendments or other documents that modify the original contract.
- e. Please provide detailed support to substantiate Liberty Park's responses 5a. to 5d. (including 5.d.i to 5.d.iii) above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Liberty is unable to determine which expense account this is. The referenced account description and 2018 amount (\$27,579) are inconsistent with Account Number 7717.665. Please verify what the expense line item should be.

REQUEST NO. 6:

Please refer to Liberty AVR's "Equip Maint-T&D Mt Mains" Object Account 7714 Subsidiary 673:

- a. Please explain in detail the line item.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2020 (\$145,109.77 for 2018 \$182,968.17 for 2020).
- c. Please provide the average life-time of the maintenance equipment.
- d. Please provide detailed support to substantiate Liberty Park's responses from 6a. to 6c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) This expense account primarily contained outside service contractor costs associated with maintenance of the water system valves. Liberty exercises its water system valves and fire hydrant valves in accordance with General Order 103-A. Liberty's valves exercise program is essential to maintaining a safe and reliable water system. Fully functioning valves help mitigate service interruptions and damage due to leaks. Liberty utilizes ACV Systems and High Desert Underground to perform its valve maintenance program.
- b) Please see the attachment with preface Question 6b for the general ledger transactions detail for years 2018 and 2020.
- c) The average age of valves is not available. In addition, exercising of valves is not dependent on the age of the valves, but rather in compliance with the GO 103-A.
- d) Please see response to 6a-6c.

REQUEST NO. 7:

Please refer to Liberty Park's "PR Burden-Stores CI" Object Account 8101 Subsidiary 963:

- a. Please explain in detail what the line item entails and the account's necessity.
- b. Please provide a detailed explanation for the expenditures between the years 2018 to 2022.
- c. Please provide a detailed line-item breakdown of the recorded costs for 2020 (\$17,616 for 2020).
- d. Please provide detailed support to substantiate Liberty Park's responses from 7a. to 7c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) The Stores Expenses-Clearing include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general storerooms, including purchasing, storage handling and distribution of materials and supplies. The PR Burden- Stores CI are payroll charged related to inventory as a percentage (15%) of all items issued from inventory.
- b) Please see response to Question 1a.
- c) Please see response to Question 1d.
- d) Please see the attachments with preface Q7d for the general ledger transactions detail for years 2018 through 2022 and 2022 burdens rates.

REQUEST NO. 8:

Please refer to Liberty Park's "**PR Burden-Trans CI**" Object Account 8101 Subsidiary 964:

- a. Please explain in detail the years between 2019 (\$72,128) and 2022 (\$11,744).
- b. Please provide the cost per unit quantity where possible for the years 2018 and 2022.
- c. Please provide detailed support to substantiate the responses from 8a. and 8b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) Please note that the expense account number should be 8201.964. The transportation expenses-clearing include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general transportation equipment of the utility including direct taxes and depreciation on transportation equipment. When internal payroll is charged to the transportation clearing account, the associated payroll burdens (payroll taxes, workers' compensation insurance, and benefits) would follow that payroll. The burdens rates are calculated annually using the prior year's recorded payroll and expenses. The payroll burdens rates are calculated by dividing the various expense categories by the salaries based on payroll hours worked, excluding paid time off. Please see the attachment provided in response to Question 7d "Q7d 2022 CB Burdens CONFIDENTIAL", tab "2022 Rates", cells A16:D21 for the development of rates used in 2022. The rates shown in cells D15, D17, and D19 are used to record the associated burdens for this expense account (Account No. 8201.964 PR Burden-Trans CI). The same methodology was used for years 2018 through 2022.
- b) Please see response to 8a.
- c) Please see response to 8a. Also see the attachment with preface Q8c for the general ledger transactions detail for years 2018 through 2022.

REQUEST NO. 9:

Refer to PW Expense Park object account 8302 Subsidiary 965. "**Parts & Suppl-Tools/Wk CI**":

- a. In 2020, Liberty Park expense totaled \$83,901 (following removal of Covid-19 expenses). Please provide a detailed explanation for the expense.

- b. Please provide detailed support to substantiate the responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a. A total amount of \$45,755 associated with the COVID costs was inadvertently not included in the CEMA; therefore, not removed from test year forecast. Liberty proposes this amount should be removed from forecast and should be included in CEMA for recovery.
- b. Please see the attachment with preface 9b for the general ledger transactions detail. The amount associated with the COVID costs are highlighted yellow.

REQUEST NO. 10:

Refer to PW Expense Excel Tab Expense Detail Object Account 6190 “**Chemicals**” and Object Account 6150 “**Purchased Power**”.

- a. Liberty Park does not anticipate production during the test year for well 4B, 40B, 40D, 41A, and 46C. Does Liberty Park anticipate savings in purchased chemicals, power, and other production costs for wells that are not active?
 - i. Please show how the savings are reflected in the RO model?
- b. Please provide a schedule detailing chemical purchased per category for purchased water and pumped water for the years 2020 to 2022.

	2020	2021	2022
Cost of Chemical (\$)			
Total Chemical Purchased (Quantity Unit)			
Purchased Water (AF)			
Pumped Water (AF)			

- c. Please provide detailed support to substantiate Liberty Park’s responses from 10a. to 10b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any

calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Cal Advocates granted an extension until March 6, 2024.

REQUEST NO. 11:

Please refer to the following references regarding AVR and Park's Business Policy Insurance to respond to the following questions: Excel Workpaper PW25/AV25 Expenses, tab "Expense Detail", Row 451 to 462 and AV25/PW25 Insurance.

- a. Please provide the 2024 bill please provide a copy of the previous invoices.
- b. AV25/PW25 Insurance, tab "Insurance" Column K to M. 2024, 2025 and 2026 liberty proposed Please explain how Liberty calculated these factors and provide documentation to substantiate any of the methodology.

DESCRIPTION	PREMIUM	FROM	TO	2024	2025	2026	2024	2025	2026
FM Prop US LU Hydro	198,732	10/1/2023	10/1/2024	228,542	251,396	276,536	15%	10%	10%

- c. Describe AVR and Park's earthquake insurance coverage. Include documents from the insurance provider showing the details of the premiums and any classifications of different assets.
- d. For the year 2021, provide Earthquake Insurance Coverage invoices and payment receipts.
- e. For the year 2021, provide Excess CA Earthquake Insurance Coverage invoices and payment receipts.
- f. Does AVR and Park's Property insurance include earthquake coverage and "Excess" earthquake coverage? Provide documentation from the property insurance provider regarding any earthquake coverage and excess earthquake coverage.
- g. Refer to Excel File AV25 Insurance, Row 38 and PW25 Insurance, Row 39? Please provide the full "Property Insurance" policy, including any applicable insurance endorsements, referenced by Liberty Utilities. Coverage periods should be discoverable within the insurance policy.
- h. Refer to "Commercial Property Coverage" costs and forecasted budgets listed in AV25 Insurance, Row 37? Please provide the full "Commercial Property Insurance" policy, including any applicable insurance endorsements. Coverage periods should be discoverable

within the insurance policy.

- i. Please provide detailed support to substantiate Liberty Park and AVR's responses from 11a. to 11h. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Cal Advocates granted an extension until March 6, 2024.

REQUEST NO. 12:

Please refer to Park and AVR's Regulatory Expenses costs and forecasted budgets to respond to the following questions:

- a. In the AVR and Park's excel file "Reg Exp, Cell B17 and C17", please provide a detailed explanation of the expense related to the Water Use Efficiency Plan Updates.
 - i. Why are the Water Use Efficiency Plan Updates included in the regulatory expenses forecast budget and not the Conservation forecast budget Account 7717 Subsidiary 908? Please explain in detail.
- b. Please refer to excel files AV25 Expense and PW25 Expense, Object Account 7540 Subsidiary 797 "Reg. Comm. Expense":
 - i. Please provide a detailed list of expenses under "Accrual of Rate Case Costs" for the years 2018 to 2022.
 - ii. Please provide a detailed explanation of the services provided for each of the expense items listed in b.i. above.
 - iii. Please provide a list of consultants and/or vendors related to the listed items. For each of the vendors/consultants, did Liberty issue a Request for Proposal for the current rate case?
 - I. If Liberty issued a Request for Proposal, indicate the number of companies Liberty solicited bids from and the number of bids received for each service listed. Provide the Request for Proposal. If not, please explain why not?
 - II. Please provide the bid responses that Liberty received.
 - III. Please provide copies of any fully executed contracts that originated from an RFP, if

applicable.

- c. Please provide detailed documentation and support to substantiate Liberty Park and AVR's responses to questions 12.a. to 12.b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

Cal Advocates granted an extension until March 6, 2024.

This completes the partial response to Data Request No. 009-KN. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

**Data Request Response 009-KN
(dated March 6, 2024)**



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

March 6, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 009-KN (O&M Expenses)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Katherine Nguyen Katherine.Nguyen@cpuc.ca.gov
Date Received: February 16, 2024
Due Date: February 26, 2024
Extension: March 6, 2024

REQUEST NO. 1:

Refer to PW Expense and AVR Expense Tab "ExpenseDetail. Within the Expense excel files, Liberty added "Remove COVID Related Expenses" to some accounts in the year 2020.

- a. For the accounts listed below, please give an itemized list of the removed expenses in excel format and include a detailed description of each
 - i. Uniforms, Oth-Cust Acct Rec/Coll, Equip Mt-General Plant, Parts & Suppl-Tools/Wk Cl.

- b. Please provide detailed support to substantiate Liberty Park's responses above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 2:

Refer to PW Expense Excel Object Account 7717 Subsidiary 663. **"Oth-T&D Op Meter Exp"**:

- a. Please explain in detail what the line item entails.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2019 (\$372,060.66 for 2018 and \$186,607.42 for 2019).
- c. Please provide the average age of Liberty Park meters and its replacement rates.
- d. Please explain how Liberty Park calculates the average age of its meters and the replacement rates.
- e. Please provide detailed support to substantiate Liberty Park's responses from 2a. to 2d. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 3:

Refer to PW Expense Park object account 7717 Subsidiary 677. **"Oth-T&D Mt Hydrants"**

- a. Please explain in detail what the line item entails.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2022 (\$25,199.77 for 2018 and \$4,820.34 for 2022).
- c. Please provide the average age of Park hydrants and their replacement rates.
- d. Please explain how Liberty Park calculates the average age of its meters and the replacement rates.

- e. Please provide detailed support to substantiate Liberty Park's responses above. This includes but is not limited to internal communications and memorandums vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 4:

Refer to PW Expense Park object account 7716 Subsidiary 932 and Q10 SIB-001 PW Expenses 2018-2022. **"Paint/Coat-General Plant":**

- a. Please provide a detailed explanation for the expenditures for the year 2018.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 (\$36,166 in 2018).
- c. Does Liberty Park have any forecasted projects for Paint/Coat-General Plant that Liberty Park will be performing during the projected years?
- d. Please provide detailed support to substantiate Liberty Park's responses from 4a. to 4c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 5:

Refer to PW Expense Park object account 7717 Subsidiary 665 and Q10 SIB-001 PW Expenses 2018-2022. **"Temp Labor-T&D Misc Expense":**

- a. Please provide a detailed explanation for the expenditures for the year 2018.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 (\$27,579 in 2018).
- c. Did Liberty Park hire outside services for the "Temp Labor-T&D Misc Expense" for the historical years (2018 to 2022)?

- d. Does Liberty Park plan on hiring outside services for the “Temp Labor-T&D Misc Expense” for the projected years (2023 to 2028)?
 - i. If yes, please provide a list of consultants and/or vendors related to the listed items. For each of the vendors/consultants, did Liberty issue a Request for Proposal?
 - ii. If Liberty issued a Request for Proposal, indicate the number of bids received for each service listed. Provide the Request for Proposal. If not, please explain why not?
 - iii. Please provide the bid responses that Liberty received.
 - iv. Please provide copies of any all fully executed contracts, including Amendments or other documents that modify the original contract.
- e. Please provide detailed support to substantiate Liberty Park’s responses 5a. to 5d. (including 5.d.i to 5.d.iii) above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 6:

Please refer to Liberty AVR’s “Equip Maint-T&D Mt Mains” Object Account 7714 Subsidiary 673:

- a. Please explain in detail the line item.
- b. Please provide a detailed line-item breakdown of the recorded costs for 2018 and 2020 (\$145,109.77 for 2018 \$182,968.17 for 2020).
- c. Please provide the average life-time of the maintenance equipment.
- d. Please provide detailed support to substantiate Liberty Park’s responses from 6a. to 6c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 7:

Please refer to Liberty Park's "PR Burden-Stores CI" Object Account 8101 Subsidiary 963:

- a. Please explain in detail what the line item entails and the account's necessity.
- b. Please provide a detailed explanation for the expenditures between the years 2018 to 2022.
- c. Please provide a detailed line-item breakdown of the recorded costs for 2020 (\$17,616 for 2020).
- d. Please provide detailed support to substantiate Liberty Park's responses from 7a. to 7c. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 8:

Please refer to Liberty Park's "PR Burden-Trans CI" Object Account 8101 Subsidiary 964:

- a. Please explain in detail the years between 2019 (\$72,128) and 2022 (\$11,744).
- b. Please provide the cost per unit quantity where possible for the years 2018 and 2022.
- c. Please provide detailed support to substantiate the responses from 8a. and 8b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 9:

Refer to PW Expense Park object account 8302 Subsidiary 965. "Parts & Suppl-Tools/Wk CI":

- a. In 2020, Liberty Park expense totaled \$83,901 (following removal of Covid-19 expenses). Please provide a detailed explanation for the expense.
- b. Please provide detailed support to substantiate the responses above. This includes but is not

limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

The response was provided on February 26, 2024.

REQUEST NO. 10:

Refer to PW Expense Excel Tab Expense Detail Object Account 6190 "**Chemicals**" and Object Account 6150 "**Purchased Power**".

- a. Liberty Park does not anticipate production during the test year for well 4B, 40B, 40D, 41A, and 46C. Does Liberty Park anticipate savings in purchased chemicals, power, and other production costs for wells that are not active?
 - i. Please show how the savings are reflected in the RO model?
- b. Please provide a schedule detailing chemical purchased per category for purchased water and pumped water for the years 2020 to 2022.

	2020	2021	2022
Cost of Chemical (\$)			
Total Chemical Purchased (Quantity Unit)			
Purchased Water (AF)			
Pumped Water (AF)			

- c. Please provide detailed support to substantiate Liberty Park's responses from 10a. to 10b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) Liberty's forecast of chemical costs was based on the 5-year recorded average. This should be revised using the projected quantity of water pumped and the unit cost of chemicals in

2022.

- b) The expenses for chemicals are specifically attributed to pumped water. Please see the attachment with preface Q10b for the quantity of water pumped and general ledger transaction details for years 2020 through 2022.
- c) Please see the response to Question 10b.

REQUEST NO. 11:

Please refer to the following references regarding AVR and Park's Business Policy Insurance to respond to the following questions: Excel Workpaper PW25/AV25 Expenses, tab "Expense Detail", Row 451 to 462 and AV25/PW25 Insurance.

- a. Please provide the 2024 bill please provide a copy of the previous invoices.
- b. AV25/PW25 Insurance, tab "Insurance" Column K to M. 2024, 2025 and 2026 liberty proposed Please explain how Liberty calculated these factors and provide documentation to substantiate any of the methodology.

DESCRIPTION	PREMIUM	FROM	TO	2024	2025	2026	2024	2025	2026
FM Prop US LU Hydro	198,732	10/1/2023	10/1/2024	228,542	251,396	276,536	15%	10%	10%

- c. Describe AVR and Park's earthquake insurance coverage. Include documents from the insurance provider showing the details of the premiums and any classifications of different assets.
- d. For the year 2021, provide Earthquake Insurance Coverage invoices and payment receipts.
- e. For the year 2021, provide Excess CA Earthquake Insurance Coverage invoices and payment receipts.
- f. Does AVR and Park's Property insurance include earthquake coverage and "Excess" earthquake coverage? Provide documentation from the property insurance provider regarding any earthquake coverage and excess earthquake coverage.
- g. Refer to Excel File AV25 Insurance, Row 38 and PW25 Insurance, Row 39? Please provide the full "Property Insurance" policy, including any applicable insurance endorsements, referenced by Liberty Utilities. Coverage periods should be discoverable within the insurance policy.
- h. Refer to "Commercial Property Coverage" costs and forecasted budgets listed in AV25 Insurance, Row 37? Please provide the full "Commercial Property Insurance" policy,

including any applicable insurance endorsements. Coverage periods should be discoverable within the insurance policy.

- i. Please provide detailed support to substantiate Liberty Park and AVR's responses from 11a. to 11h. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) 2024 invoices are unavailable. Please see the attachments with preface Q1 1a for the current policy invoices.
- b) Liberty's forecast of insurance was based on historical data, market trends and insurance broker guidance.
- c) XXXX description from Amy. Please see the attachments with preface Q11c-e.
- d) Please see the response to Q11c.
- e) Please see the response to Q11c.
- f) Yes. Please see the response to Q11c.
- g) Please see the response to Q11c.
- h) Please see the response to Q11c.
- i) Insurance policies are written on an enterprise-wide and premiums are distributed among each entity according to relevant factors. Please see the attachments with preface Q1 for the total premiums and the corresponding percentage allocated to both Liberty Park and Liberty Apple Valley.

REQUEST NO. 12:

Please refer to Park and AVR's Regulatory Expenses costs and forecasted budgets to respond to the following questions:

- a. In the AVR and Park's excel file "Reg Exp, Cell B17 and C17", please provide a detailed explanation of the expense related to the Water Use Efficiency Plan Updates.
 - i. Why are the Water Use Efficiency Plan Updates included in the regulatory expenses forecast budget and not the Conservation forecast budget Account 7717 Subsidiary 908? Please explain in detail.
- b. Please refer to excel files AV25 Expense and PW25 Expense, Object Account 7540 Subsidiary 797 "Reg. Comm. Expense":

- i. Please provide a detailed list of expenses under "Accrual of Rate Case Costs" for the years 2018 to 2022.
- ii. Please provide a detailed explanation of the services provided for each of the expense items listed in b.i. above.
- iii. Please provide a list of consultants and/or vendors related to the listed items. For each of the vendors/consultants, did Liberty issue a Request for Proposal for the current rate case?
 - I. If Liberty issued a Request for Proposal, indicate the number of companies Liberty solicited bids from and the number of bids received for each service listed. Provide the Request for Proposal. If not, please explain why not?
 - II. Please provide the bid responses that Liberty received.
 - III. Please provide copies of any fully executed contracts that originated from an RFP, if applicable.
- c. Please provide detailed documentation and support to substantiate Liberty Park and AVR's responses to questions 12.a. to 12.b. above. This includes but is not limited to internal communications and memorandums, vendor quotes and estimates, engineering reports and calculations. Please provide any calculations in Microsoft Excel format with links and formulas intact.

RESPONSE:

- a) Liberty's Water Use Efficiency Plan (Plan) was prepared by the external consulting firm, Maddas Water Management Inc. (MWM). MWM specializes in the evaluation and technical analysis of water conservation measures and programs. They provide recommendations to assist Liberty in meeting both current and future water use requirements and objectives in California. The Plan solely encompasses the costs associated with conservation programs and does not incorporate the expenses incurred for engaging an external consultant in development of the Plan. Therefore, the cost of the outside consultant is included under Regulatory Commission Expense. Please see the attachment with preface Q1a for the outside consulting invoices.
- b) Since the Commission transitioned both Liberty Park (D.16-01-009) and Liberty Apple Valley (D.20-09-019) to the prospective approach where the regulatory commission expenses are estimated for the next general rate case (GRC), Account Number 7540 has been utilized

to amortize the catch-up portion of the rate case expenses authorized by the Commission to be amortized over six years. As of 2022, the amortization for Liberty Park is complete, and for Liberty Apple Valley, it would be fully amortized in 2023. Account Number 7545 Accrual of Rate Case Costs is used to accrue the estimated costs for the next GRC. As the costs are finalized with each specific GRC, this account would be adjusted accordingly. The costs associated with the rate case are primarily include external legal fees, outside consultant studies, customer notices, transcripts, printing, meals and travel, etc. Please see workpapers pages 4-28 (Liberty AV) and 4-69 (Liberty Park) for a detailed description of the development of the regulatory commission expenses.

- c) Please see the attachments with preface Q12b for the general ledger transactions detail and outside consulting invoices. These outlined the purpose and vendor for each transaction.

This completes the supplemental response to Data Request No. 009-KN. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

**Data Request Response 16-RK
(dated March 28, 2024)**



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

March 28, 2024

DATA REQUEST RESPONSE
LIBERTY UTILITIES (PARK WATER) CORP.
A.24-01-002
LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.
A.24-01-003
Test Year 2025 General Rate Case

Data Request No.: 016-RK (Head Office Expenses)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Roy Keowen Roy.Keowen@cpuc.ca.gov
Date Received: March 7, 2024
Due Date: March 14, 2024
Extension: March 28, 2028

Refer to A.24-01-002 and A.24-01-003, Exhibit C, General Office p.p.25-26 regarding Liberty Park and Liberty Apple Valley's (Applicant's) Head Office Allocations.

REQUEST NO. 1:

Refer to "HO25 APUC Expenses.xlsx" At Tab "EXP SUM":

- a) Refer to cells E12 and F12. Provide justification for the increase in legal costs between 2021 and 2022. Provide support.
- b) Refer to cell C15. State the reasons why this year is more than any of the other years. Provide support.
- c) Refer to cells E16 and F16. State the reasons for the increase between 2021 and 2022. Provide support.
- d) Refer to cell F16. Provide a line-item breakdown of costs.

- e) Refer to cells D17 and E17. State the reasons the cost increased in years 2020 and 2021. Provide support.
- f) Refer to cell F19. Provide a line-item breakdown of costs.
- g) Refer to Line 23. Provide justification for the increases between years between 2018 and 2020. Provide support.
- h) Refer to cell D23. Provide a line-item breakdown of costs.

RESPONSE:

- a) Please see “Legal Cost 2021-2022 Analysis.xlsx”. The increase from 2021 to 2022 relates primarily to lower than normal months in January and March related to the reversal of prior year accruals and a manual entry to reclass costs. In addition, increased costs in 2022 relate to direct billed costs incurred by LABS and billed to APUC in March 2022, as well as an over accrual of legal expenses in June through September 2022 which are partially offset in November 2022.
- b) The 2019 Investor Relations costs reflected in cell C15 include the following costs which are not included in the other years:
 - NYSE Market costs related to APUC’s first (2019) U.S. marketed common equity offering (~\$167K);
 - Printing and mailing of shareholder material costs (~\$400K); and
 - Media/consumer intelligence costs (~\$11K).
- c) Please refer to the HO25 “APUC Expenses-2022 Update.xlsx” file which has been updated to correct the categorization of costs for 2022. During the preparation of this response, the Company discovered that some of the costs were incorrectly categorized. Also please see the “APUC Jan-Apr 2022 GL Details.xlsx” file which corrected the categories identified within these GL details. There were no changes to the GL details file provided for May-Dec 2022 in response to Data Request SIB-001, attachment “Q6 SIB-001 HO25 Expenses – APUC 2022(2)”. In addition, it was discovered that a “catch up” billing for July was inadvertently excluded from the original summary.
- d) Please refer to the response to part c above for the transaction details that support the referenced costs.
- e) The Licenses & Fees cost center captures costs related to licenses, permits and escrow fees in connection with Algonquin’s participation in the New York Stock Exchange

("NYSE") and the Toronto Stock Exchange ("TSX") (e.g., Sedar fees, annual filing fees, licensing fees, etc.), credit rating services, and system platforms that administer board of director meeting material and Algonquin's employee stock purchase plan. Cost related to these services have increased since 2019.

- f) Please refer to the response and files mentioned in part c above. The Company also discovered that some costs which were allocated in the Other Professional category during the months of October – December, should not have been allocated. Please see the "APUC Oct-Dec 2023 Adjustment.xlsx" file for a schedule showing that \$22,953.81 allocated to Park Water should be excluded from the revenue requirement.
- g) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- h) Please refer to the APUC Summary 2020 file and supporting monthly billing reports provided in response to Data Request #001-SIB, attachments "Q6 SIB-001 HO25 Expenses – APUC 2020(1)" and "Q6 SIB-001 HO25 Expenses – APUC 2020(2) thru (13)" for the transaction details that support the costs included in the HO25 APUC expenses file, including the specifically referenced cell D23.

REQUEST NO. 2:

Refer to "HO25 LUC expenses.xlsx" at Tab "Exp Sum".

- a) Refer to Line 12. What are expenses unassigned?
- b) Refer to Line 12. Why are some years negative?
- c) Refer to Line 12. Provide support for years 2021 and 2022.
- d) Refer to Line 16. Provide justification for the spike in expenses between 2019 and 2020?
- e) Refer to Line 19. What are operations expenses?
- f) Refer to Line 19. Provide a line item of expenses that make up the total for 2020, 2021 and 2022.
- g) Refer to Line 19. What are the reasons for the increases in the expense in years 2020, 2021 and 2022? Provide support.
- h) Refer line 20. What are Customer Insights expenses?

RESPONSE:

- a) The unassigned expenses category includes various expenses such as bank charges, interest expense, depreciation and amortization expense and accounting and audit services.
- b) The year-to-date balance for the “unassigned” cost category in 2020 is negative as a result of the “catch-up” in December 2020. Generally, at the end of each year, the Company compares the total costs incurred for the year to the total costs allocated and calculates any necessary “catch up”. In December 2020, the “catch up” inadvertently compared all of the unassigned (i.e., site 0) expenses to all LUC allocations (for all departments) which resulted in a large over allocation for the unassigned expense category and a seemingly under allocation in all other departments. As reflected in the “LUC Corporate Costs Summary 2018-2023.xlsx” file in December 2020, all of the other departments are higher while the unassigned department is significantly negative.

The year-to-date balance for 2022 is negative primarily due to a change in how benefits offsets are recorded in SAP. Prior to SAP, these offsets were reflected within the department that the benefits costs were originally incurred.

- c) Please refer to the LUC Corporate Costs Summary 2018-2023 file and supporting monthly billing reports and GL details files provided in response to Data Request SIB-001, attachments with preface Q8, for the transaction details that support the costs included in the HO25 LUC expenses file.
- d) The Facilities department is where the costs for the corporate headquarters building located in Oakville (i.e., Davis Rd) are recorded and allocated from for the regulated utilities. Please see the Company’s response to part (b) above for the increase in December 2020. When the catch-up billing was done, the offsetting entries were grouped with the unassigned costs rather than within the Facilities department.
- e) The expenses within the Operations category include services to APUC’s Regulated Services Group in the areas of operational performance and the oversight and strategic management in the following utility centralized services: regulatory, commodity supply and control, transition and integration, and transmission planning and operations. Some of the functions carried out by this department include establishing annual and long-term operational targets and ensuring that these plans are built for operational and financial success; standardizing functional processes to ensure a common approach throughout the organization; and supporting the development of a health and safety culture that improves the quality of the workplace environment, provides an injury-free workplace, and protects

public security and safety.

- f) Please see the response to 2 c above.
- g) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- h) The Customer Insights department identifies, quantifies and addresses customers' needs, works to identify opportunities for growth, and actively participates in the communities it serves. The Customer Insights department works in partnership with the local utilities to strengthen the communities served and enhance the customers' experience through best-in-class solutions driven by deep customer insight. This is done by working with: the traditional customer channels to listen to our customers and implement programs that will improve the ease with which customers deal with Liberty; our large Commercial & Industrial customers and communities to ensure they receive the energy that they need both for the success of their businesses and new economic development; our engineering partners to share what customers want (reliability, new products such electric vehicles, green products) and assist in delivering these wants now and in the future; aggregating and combining disparate data sources to draw out insights that will improve customer experience and / or reduce costs for our customers.

REQUEST NO. 3:

Refer to HO25 LABS expenses.xlsx at Tab "ToT".

- a) Refer to Line 12. Provide justification for the increase between 2021 and 2022.
- b) Refer to Line 14. What are total rewards? Provide justification for these expenses.
- c) Refer to Line 15. Provide justification for the increase between 2021 and 2022.
- d) Refer to Line 16. Provide justification for the increase between 2021 and 2022.
- e) Refer to Line 18. Provide justification for the increases between 2020 and 2022.
- f) Refer to Line 19. Provide justification for the increases between 2019 and 2022.
- g) Refer to Line 21. Provide justification for the increases between 2020 and 2022.
- h) Refer to Line 22. Provide justification for the amount shown in Cell G22.
- i) Refer to Line 23. Provide justification for the increases between 2019 and 2020.

- j) Refer to Line 28. Provide justification for the increases between 2021 and 2022.
- k) Refer to Line 35. Provide justification for the increases between 2021 and 2022.
- l) Refer to Line 37. Provide justification for the increases between 2020 and 2022.
- m) Refer to Line 38. Provide justification for the increases between 2018 and 2022.
- n) Refer to Line 39. Provide justification for the increases between 2019 and 2021.
- o) Refer to Line 48. Provide justification for the increases between 2019 and 2022.
- p) Refer to Line 5. Provide justification for these expenses.

RESPONSE:

- a) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- b) The function of the Total Rewards department is to manage the benefits, compensation and rewards that employees receive from the organization. This corporate service is critical to ensuring that APUC's most valuable assets, our employees, are satisfied and engaged which minimizes employee turnover and associated costs. The nature of the corporate services is to support all of APUC and provide economies of scale in services (e.g., total rewards packages and policies).
- c) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- d) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- e) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- f) The increase is related to the addition of 12 employees from 2019 to 2021.
- g) The main driver for the increase in costs relates to the addition of 10 positions between 2020 and 2022.
- h) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- i) The main driver for the increase in costs in the Communications Department from 2019 to 2020 is for outside services related to the rebranding to Liberty.

- j) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- k) The increase from 2021 to 2022 due both to an increase in labor (~\$1.25M) and non-labor costs (~\$0.77M). The increase in labor costs relates to an increase of 15 positions and the increases in non-labor costs relate to outside services and recruitment services.
- l) The increase is due to the addition of 6 employees and costs related to outside professional services.
- m) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- n) There is no increase for line 39 from 2019 to 2021.
- o) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.
- p) The information requested is taking longer than expected, Liberty will provide the response by April 5, 2024.

This completes the partial response to Data Request No. 016-RK. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs
(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

**Data Request Response 16-RK
(dated April 5, 2024)**



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

April 5, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 016-RK (Head Office Expenses)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Roy Keowen Roy.Keowen@cpuc.ca.gov
Date Received: March 7, 2024
Due Date: March 14, 2024
Extension: March 28, 2028

Refer to A.24-01-002 and A.24-01-003, Exhibit C, General Office p.p.25-26 regarding Liberty Park and Liberty Apple Valley's (Applicant's) Head Office Allocations.

REQUEST NO. 1:

Refer to "HO25 APUC Expenses.xlsx" At Tab "EXP SUM":

- a) Refer to cells E12 and F12. Provide justification for the increase in legal costs between 2021 and 2022. Provide support.
- b) Refer to cell C15. State the reasons why this year is more than any of the other years. Provide support.
- c) Refer to cells E16 and F16. State the reasons for the increase between 2021 and 2022. Provide support.
- d) Refer to cell F16. Provide a line-item breakdown of costs.

- e) Refer to cells D17 and E17. State the reasons the cost increased in years 2020 and 2021. Provide support.
- f) Refer to cell F19. Provide a line-item breakdown of costs.
- g) Refer to Line 23. Provide justification for the increases between years between 2018 and 2020. Provide support.
- h) Refer to cell D23. Provide a line-item breakdown of costs.

RESPONSE:

The responses were provided on March 28, 2024.

REQUEST NO. 2:

Refer to "HO25 LUC expenses.xlsx" at Tab "Exp Sum".

- a) Refer to Line 12. What are expenses unassigned?
- b) Refer to Line 12. Why are some years negative?
- c) Refer to Line 12. Provide support for years 2021 and 2022.
- d) Refer to Line16. Provide justification for the spike in expenses between 2019 and 2020?
- e) Refer to Line19. What are operations expenses?
- f) Refer to Line19. Provide a line item of expenses that make up the total for 2020, 2021 and 2022.
- g) Refer to Line 19. What are the reasons for the increases in the expense in years 2020, 2021 and 2022? Provide support.
- h) Refer line 20. What are Customer Insights expenses?

RESPONSE:

The responses were provided on March 28, 2024.

REQUEST NO. 3:

Refer to HO25 LABS expenses.xlsx at Tab "ToT".

- a) Refer to Line 12. Provide justification for the increase between 2021 and 2022.
- b) Refer to Line 14. What are total rewards? Provide justification for these expenses.

- c) Refer to Line 15. Provide justification for the increase between 2021 and 2022.
- d) Refer to Line 16. Provide justification for the increase between 2021 and 2022.
- e) Refer to Line 18. Provide justification for the increases between 2020 and 2022.
- f) Refer to Line 19. Provide justification for the increases between 2019 and 2022.
- g) Refer to Line 21. Provide justification for the increases between 2020 and 2022.
- h) Refer to Line 22. Provide justification for the amount shown in Cell G22.
- i) Refer to Line 23. Provide justification for the increases between 2019 and 2020.
- j) Refer to Line 28. Provide justification for the increases between 2021 and 2022.
- k) Refer to Line 35. Provide justification for the increases between 2021 and 2022.
- l) Refer to Line 37. Provide justification for the increases between 2020 and 2022.
- m) Refer to Line 38. Provide justification for the increases between 2018 and 2022.
- n) Refer to Line 39. Provide justification for the increases between 2019 and 2021.
- o) Refer to Line 48. Provide justification for the increases between 2019 and 2022.
- p) Refer to Line 5. Provide justification for these expenses.

RESPONSE:

- a) The increase in Business IT from 2021 to 2022 is primarily due to an increase in labor costs associated with the addition of ten (10) employees.
- b) The response was provided on March 28, 2024.
- c) The primary drive for the increase from 2021 to 2022 is labor. In addition to an annual salary increase for each employee as part of the merit review process, there was a change in composition of positions within the department (for example, in 2022 a Vice President was added to the department in replacement of a manager role), and three employees received promotions in 2022.
- d) The increase in EH&S is driven by significantly more direct charges in the first half of 2021, which results in less indirect costs allocated in 2021. In addition, there was an increase in non-labor costs as the department transitioned back, after the COVID-19 Pandemic, to in-person meetings, symposiums and compliance trainings.

- e) The increase from 2021 to 2022 is primarily related to increased labor costs associated with two additional positions and employee promotions.
- f) Through the years 2019 to 2022, the Procurement Department was developing and maturing its strategic procurement/category management structure within the enterprise. The main driver for the 2019 to 2022 increase is related to employee hires. From 2019 to 2021 the number of employees increased by 12.
- g) The main driver for the increase in costs between 2020 and 2022 is the increase in employee hires. From 2020 to 2021, ten (10) employees were added to the FP&A Department.
- h) Please refer to the attachment provided in response to Data Request No. SIB-001, "Q7 SIB-001 LABS CAD 2021 Summary and Details", for the general ledger (GL) transactions details. As reflected in the GL details for December 2021, there is a salary offset transaction, moving cost from operating expense to capital expenditures that resulted in an overall negative amount for the department in 2021.
- i) The response was provided on March 28, 2024.
- j) The increase in Corporate IT from 2021 to 2022 relates to the addition of 11 employees, as well as increases in non-labor costs related to the onset of subscription costs which were initially capitalized and now operating expense; new applications and enhanced application capabilities; increased network redundancy; and increased licensing for added employees.
- k) The response was provided on March 28, 2024.
- l) The response was provided on March 28, 2024.
- m) The increase in costs in Compliance in 2019 and 2020 relates to the addition of 12 employees in 2019.
- n) The response was provided on March 28, 2024.
- o) The Business Risk department was formed in September 2019. The increase in costs is driven by the increase in labor costs. From 2019 to 2021, the headcount increased by 5 employees for a total of 6 employees. In 2022 the department headcount decreased by 1 employee, which is reflected in the decrease in costs from 2021 to 2022.
- p) This is company's estimates of inflation factors. Please refer to file "Esc Factors" in the RO model.

This completes the response to Data Request No. 016-RK. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Data Request Response 024-AS



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

April 17, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 024-AS (Liberty AVR A&G Expenses, part 2)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Ama Serwaa (Ama.Serwaa@cpuc.ca.gov)

Date Received: April 10, 2024

Due Date: April 17, 2024

AV A&G Expenses. For the reader's convenience, the file "AV25 Expenses" has been attached to this Data Request #24.

REQUEST NO. 1:

Refer to **AV25 Expenses**, Tab Expense Detail, Account 7040, Account Description "Registration" for the following questions.

- a. Please provide an explanation as to why such category's expenses decreased from 2020 to 2021.
- b. Please provide an explanation as to why such category's expenses increased from 2021 to 2022.

RESPONSE:

- a. Please see the response to Data Request #023-AS, Questions 1g and 1h.
- b. Please see the response to Data Request #023-AS, Questions 1g and 1h.

REQUEST NO. 2:

Refer to AV25 Expenses, Tab “Expense Detail”, Titled A&G Other, object account 7011 for the following questions.

- a. Provide definition to what Liberty constitutes as Telemetry and all other as well as supporting documentation.
- b. Provide explanation as to why Account description “Telemetry” expenses decreased from 2019 to 2020.
- c. Provide explanation as to why Account description “Telemetry” expenses increased from 2021 to 2022.
- d. Provide explanation as to why Liberty’s account titled “All Other” expenses decreased from 2018 to 2020.
- e. Provide explanation as to why Liberty’s account titled “All Other” expenses increased from 2019 to 2020.
- f. Provide explanation as to why Liberty’s account titled “All Other” expenses decreased from 2020 to 2022.

RESPONSE:

- a. The account Telemetry is used to record the telephone (T1) costs. The account All Other is used to record costs associated with vehicle tracking, fax line, office telephone line,
- b. The telemetry costs were inadvertently booked in Liberty Park Water’s book in 2020, totaled \$102,527. A portion (\$45,573) of the 2020 total should have been charged to Liberty Apple Valley.
- c. The 2022 costs were inadvertently recorded in this account. This should be recorded in Account #7780 Uniform. Starting in 2021, the telemetry costs were booked in Liberty Park General Office’s book, Account No. 7011.2 Telemetry. Please see RO model file “GO25 Expenses”, tab “ExpenseDetail”, cells K130:L130. As such, the GO forecast for 2025 in this account should be using a two-year average (2021-2022) as opposed to a five-year average. The two-average would be more reflective of the costs recorded.

- d. There is no decrease comparing 2018 to 2020.
- e. The increase was primarily due to a prior year adjustment of \$34,283 in 2019.
- f. The decreased is primarily due to the vehicle tracking costs.

This completes the response to Data Request No. 024-AS. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

**Data Request Response 040-AA
(dated May 22, 2024)**



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

May 22, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 040-AA (Park Wells Treatment and Other Plant)

Requesting Party: Public Advocates Office

Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Anthony Andrade Anthony.Andrade@cpuc.ca.gov

Date Received: May 15, 2024

Due Date: May 22, 2024

REQUEST NO. 1:

In its Workpapers, pages 8-2 and 8-4, Liberty (Park) categorizes its Utility Plant-in-Service and Accumulated Depreciation balances by CPUC account number. Provide existing asset data for each of the following well sites in a Microsoft Excel file with a separate tab for each well site.

The sites are:

- a) Well 28B
- b) Well 41A
- c) Well 46C
- d) Well 4B
- e) Well 40D

- f) Well 28D
- g) Well 6E
- h) Well 40B

Each tab should briefly describe the assets, such as land and improvements, at the well site, and identify the CPUC account number (e.g. 31000), the total value in Utility Plant-in-Service, and Accumulated Depreciation per asset as of January 1, 2024. Please make sure to include the value of any asset, including upgrades and rehabilitations, related to the well such as new and replacement variable frequency drives, motors, disinfection equipment, electrical equipment, and well buildings. The following table shows an example of the organization for the requested data.

Asset at Site	CPUC Account Number	Utility Plant-in-Service (\$)	Accumulated Depreciation (\$)

RESPONSE:

Please see attachment prefaced Q1. The detailed depreciation on individual assets is not available. Depreciation is calculated on a group asset basis, rather than an individual asset assessment.

REQUEST NO. 2:

In Exhibit B, pages 90-93, Liberty (Park) states that it proposes to install a PFAS treatment system at Well 46C and begin design on a second PFAS treatment system at Well 41A. On page 92 of Exhibit B, Liberty (Park) states that it contracted Best Drilling to evaluate Well 46C and that Best Drilling “indicated that the well has sufficient life in it to last the viable life of the proposed treatment equipment.”

- a) Please identify the full name of the contractor known as “Best Drilling” and the professional services it provides.
- b) Please provide documentation showing the results of Best Drilling’s evaluation of Well 46C. Please include the entirety of Best Drilling’s report as well as any other communications related to Well 46C.
- c) Did Best Drilling or another contractor evaluate Well 41A in the same way Best Drilling evaluated Well 46C?

- d) What is the viable life of the proposed treatment equipment for Well 46C and Well 41A?
- e) Did Best Drilling also evaluate the cost of maintaining Well 46C for the duration of the viable life of the proposed treatment equipment? If so please provide those costs.
- f) Provide a cost benefit analysis comparing the ratemaking cost of Liberty's proposed treatment at Well 46C to the alternative of continuing to purchase water.

Please account for ratemaking costs such as depreciation expense and rate of return along with the costs of maintaining Well 46C in the cost benefit analysis.
- g) Provide documentation, such as consultant reports or contractor quotes, supporting the cost estimate for Liberty (Park)'s proposed PFAS treatment system at Well 46C.
- h) Provide the site drawing for Well 41A.
- i) What is the footprint of the PFAS removal system at Well 41A?
- j) Explain how Liberty (Park) determined that it is feasible to fit a PFAS treatment system at Well 41A.
- k) Has Liberty (Park) applied for alternate sources of funding for its PFAS treatment system, such as the Water Replenishment District of Southern California's (WRD) Remediation Program, the settlement between the U.S. public water suppliers and 3M Company, or federal and state government grant programs?
- l) Identify all sources of funding that Liberty (Park) has applied for and the status of Liberty (Park)'s applications regarding PFAS treatment system funding.

RESPONSE:

- a) Best Drilling & Pump is a licensed construction company that offers well drilling and pump services. It provides full-service water well drilling for water utilities. These tasks include the installation of the conductor and well casing, aquifer zone sampling, various production (aquifer) testing, and installation of the sanitary seal. In addition, the company provides well abandonment, well rehabilitation, and packer installation services. It also specializes in pump services, such as new pump installation, pump assessment and testing, and pump repair and removal.
- b) Best Drilling gave a verbal opinion during discussions with Liberty based on its understanding of the condition of the well casing, which does not show indications of imminent failure.

- c) Best Drilling, or another contractor, did not specifically study Well 41A for the purpose of rendering an opinion of how much longer the well is expected to last. It should be noted, however, that the Well 41A well casing is in a similar condition to the casing at Well 46C.
- d) The life of the PFOS treatment equipment is estimated at 20 years to match the life used in account 332 for treatment equipment. There is, however, some electrical and mechanical equipment that will likely require replacement or repair within that timeframe. Those items include sensors with electronics, gaskets, valves and valve actuators. The design will have a focus on longevity, ease of maintenance, and the ability to be moved to another site if necessary.
- e) Best Drilling did not evaluate the cost of maintaining Well 46C for the duration of the viable life of the proposed treatment equipment.
- f) Please see the attachment with preface Q2f for the costs/benefits analysis. This compares the costs of treatment added at Well 46C, and the associated increase in pumped water, to the cost of continuing to use purchased water instead of adding the treatment. This shows savings of \$3.4 million, \$10.3 million, \$21.6 million, and \$39.3 million at year 5, 10, 15, and 20, respectively.
- g) Attachments prefaced Q2g include the project cost estimate prepared by an engineering consultant in 2020 for PFAS treatment at Well 46C. This estimate includes bench testing, equipment and construction, and engineering design services. Also attached is the 2022 IX treatment system & media quote from a supplier. The cost estimate Liberty provided in the workpapers includes the 2022 quote for the IX treatment equipment and assembly and 2020 estimate for engineering design services. The 2020 estimates for bench testing and construction were adjusted to accommodate inflation and increases in labor and material since 2020. See cost estimate breakdown below:

Well 46C PFAS Treatment System	Cost Estimate	Reference
Engineering Design Service	\$300,000	Consultant Estimate from 2020
Bench Testing	\$125,000	Consultant Estimate from 2020 (increased)
Filter Equipment & Assembly	\$729,000	Vendor Quote 2022
Construction - Site Work/Concrete Pads/Yard Piping/EI&C/Startup	\$1,146,000	Consultant Quote from 2020 (increased)

Subtotal \$2,300,000

- h) The attachment prefaced Q2h - 040-AA provides the Well 41A site layout.

- i) The footprint of the PFAS removal system at Well 41A will be very similar to the footprint of the Well 46C treatment system. Attached is the general assembly drawing of the IX treatment vessels at Well 46C provided by a water treatment supplier. This drawing was included in the Well 46C PFAS treatment proposal.
- j) Liberty has determined it is feasible to fit the IX treatment system by relocating existing facilities at Well 41A. The chlorine shed and radio tower pole will be relocated near the entrance of the property to clear space at the west end of the property for the IX treatment system.
- k) Liberty applied for the Water Replenishment District of Southern California's (WRD) Remediation Program. Liberty did not complete the application process because of objections to certain conditions proposed by WRD. Liberty is also in the process of obtaining the data necessary for filing claims in the DuPont and 3M settlements once the claims periods begin.
- l) Liberty has not applied for any other sources of funding for PFAS treatment except the two items mentioned in response 2k above.

REQUEST NO. 3:

In Exhibit B, pages 80-81, Liberty (Park) states that it is continuing to replace meters at a rate to keep up with meter aging and battery failures. On page 80, Liberty (Park) states that it provides the detailed small meter replacement schedule, unit cost, and 2023 vendor quote for a 5/8-inch, 1-1/2-inch, and 2-inch meters. In its Workpapers, Section 6, page 6-2, Liberty (Park) shows a Construction Work in-Progress (CWIP) balance of \$1,966,123 as of 2022 for Account number 346 Meters. On page 69 of Exhibit B, Liberty (Park) states that it will install new water meters as part of the Cliveden-Broadacres-Grandee main replacement project.

- a) Please identify the Workpapers where Liberty (Park) provided the small meter replacement schedule, unit cost, and 2023 vendor quotes. If these Workpapers are not in the current GRC Application, or if the Workpapers were only provided in pdf format, provide them in a Microsoft Excel format.
- b) How many total 5/8-inch meters are currently installed at Liberty (Park) Central Basin Division water systems as of January 1, 2024?
- c) Explain why Liberty (Park) has a CWIP balance of \$1,966,123 for the Account no. 346 Meters. Specify whether this CWIP balance includes the cost of a portion of the 5/8-in

AMR meters that Liberty (Park) installed from 2018 to 2023.

- d) Provide the number of 5/8-inch Automated Meter Reading (AMR) meters that Liberty (Park) replaced each year from 2018 to 2023.
- e) Did Liberty (Park) install any 5/8-inch AMR meter at a connection for the first time (i.e. an AMR installation where Liberty (Park) did not replace an existing AMR meter) from 2018 to 2023? If yes, provide the number of those 5/8-inch AMR new installations for each year from 2018 to 2023.
- f) Identify the number of 5/8-inch AMR meters that Liberty (Park) is proposing to install as part of main replacement projects such as the "Cliveden-Broadacres-Grandee" project for each year from 2024 to 2027.
- g) Does Liberty (Park) include the 5/8-inch AMR meters that it proposes to replace as part of main replacement projects in the number of 5/8-inch AMR meter replacements for years 2024 to 2027 that appears in the Workpaper schedule referred to above in this Data Request, Item 3.a?

RESPONSE:

Cal Advocates granted an extension until May 27, 2024.

REQUEST NO. 4:

In Exhibit B, page 89, Liberty (Park) states that it proposes to replace an existing emergency or back-up generator at the Forest Green site in the Mesa Crest water system. In its Workpapers, page 6-58, Liberty (Park) shows that it bases the cost estimate of the proposed Forest Green generator on the "Quinn CAT" unit cost.

On page 96 of Exhibit B, Liberty (Park) states that it plans to purchase a 400 kilowatt (kW) emergency generator to power "newer and larger facilities that cannot be supported by our existing generator fleet." In its Workpapers, page 6-65, Liberty (Park) describes the 400 kW emergency generator as a replacement with a cost estimate of \$278,952.

- a) Provide documentation from a vendor or contractor that shows the "Quinn CAT" unit cost for the proposed Forest Green generator.
- b) Please identify all emergency or back-up power generators that Liberty (Park) currently has in Rate Base. For each generator, specify the year Liberty (Park) acquired it, the power rating in kilowatts, and whether the generator is mobile or stationary.

- c) What is the expected service life of the back-up generators that Liberty (Park) normally purchases?
- d) Provide the power rating for the proposed Forest Green generator and explain why Liberty (Park) does not plan to use one of Liberty (Park)'s existing mobile generators at the Forest Green site.
- e) Identify the newer and larger facilities that Liberty (Park) states cannot be supported by the existing generator fleet. Explain if there are any more reasons why the existing generators cannot support these facilities besides power rating.
- f) Explain whether Liberty (Park) proposes that 400 kW generator should be a mobile generator or a permanent generator stationed at a specific site. If Liberty (Park) proposes a permanent generator, explain why a mobile generator could not be used.
- g) Provide documentation, in Microsoft Excel format, that shows a breakdown for the \$278,952 cost estimate. Also provide documentation from a vendor or contractor that shows the unit cost that Liberty (Park) used to develop the \$278,952 cost estimate.
- h) Please explain whether Liberty (Park) is required to report the number of hours that back-up generators operate throughout the year to a regulatory agency, such as an Air Quality Management District (AQMD). Please provide copies of any permits AQMD or otherwise that Liberty has for the generators.
- i) Provide records, such as reports to an AQMD or another agency, that show the number of hours that Liberty (Park) has used each back-up generator from 2014 to 2023.
- j) What year did Liberty (Park) begin to acquire and operate back-up generators for its water systems?
- k) From 2014 – 2023, please identify, in excel format, each occasion in which Liberty (Park) has used more than one generator at a time including the incident date, cause, and duration.
- l) Please provide a detailed explanation of the occasion when Liberty (Park) has had to use the greatest number of back-up generators at the same time.

RESPONSE:

- a) Please see attachment prefaced Q4a.
- b) Please see attachment prefaced Q4b.

- c) The backup generators Liberty purchases have an expected service life of approximately 15 years.
- d) The existing generator at Forest Green has a power rating of 75 kW. A proposed new generator for this site will require approximately the same power output for backup power. The new generator will be dedicated for this site only and set as a stationary generator in the building, similar to the setup of the existing generator at the site. A stationary generator is critical at this facility due to reoccurring power outages triggered by weather related occurrences and public safety power shutoffs. Power loss must be limited at this site because it operates a hydro pneumatic tank that supplies water to properties at higher elevations than the Forest Green tanks.
- e) Well 12C, Reservoir and BPS 10A, and the newly constructed Well 28D cannot be fully powered by any of the existing portable generators owned by Liberty (Park) due to the higher power demand at these sites.
- f) The new 400kW generator will be a mobile generator used at sites which require a higher power demand. Liberty Park has added a new tank and booster station in the Lynwood System along with a new well in the Bellflower Norwalk System. The new generator will supply backup power to these facilities.
- g) Please see attachment prefaced Q4g for the documentation in Microsoft Excel format. Please note the vendor documentation is the same as the quote from Q4a.
- h) Liberty has two classifications of generators – mobile and stationary. The mobile generators are permitted by the California Air Resources Board (CARB), and the stationary generators are permitted by the South Coast Air Quality Management District (SCAQMD). CARB requires reporting of the total hours of operation for the year in the permitting process. SCAQMD requires that a monthly record of hours of operation is maintained for each generator. This data is not required to be submitted in the permitting process. Please see attachments prefaced Q4h for the generator permits.
- i) Please see attachment prefaced Q4i.
- j) Liberty began acquiring and using generators in 1985.
- k) Park has not been tracking generator use other than annual hours. While there have been several times in the Apple Valley system when multiple generators were used because of SCE power issues, Park has only had one instance during which multiple generators were used. That event occurred in 2022 when SCE power was out for an extended period

without warning. That event prompted Park to set up three mobile generators to quickly move water from the source to the higher elevation pressure zones. Generators were used at the Hampton BPS (the source), Meadowview BPS, and Starlight BPS. That was required to get water to the highest elevation Forest Green pressure zone.

- l) As noted in the response to question 4k, the most generators Park used at one time was the event in 2022 when Park had to use three generators in the Mesa Crest system.

REQUEST NO. 5:

In its Workpapers, page 6-65, Liberty (Park) shows a cost estimate of \$1,125,297 in 2026 for "EV Stations/ Infrastructure for 2030 EV Initiative." On the following page 6-66, Liberty (Park) shows one "Chevy Bolt EV" in its "Liberty Utilities – Central Basin – Vehicle List."

- a) Did Liberty (Park) provide any testimony supporting the "EV Stations/ Infrastructure" capital project? If yes, identify the document and page numbers.
- b) Identify all electric vehicles (EVs) that Liberty (Park):
 - i) In Utility Plant-in-Service as of January 1, 2024, and
 - ii) Planned as capital additions in the years 2024 to 2027.
- c) Provide documentation, in Microsoft Excel format, that shows a breakdown for the \$1,125,297 cost estimate. Also provide documentation from a vendor or contractor that shows the unit costs that Liberty (Park) used to develop the \$1,125,297 cost estimate.
- d) Identify and explain all annual savings that will result from the "EV Stations/ Infrastructure" capital project. Identify the file, tab, and cell numbers where the reduced expenses appear in Liberty (Park)'s current Results of Operations (RO) Model.
- e) Provide a cost-benefit analysis for the "EV Stations/ Infrastructure" capital project that, at least, identifies the expected service life of the infrastructure, estimated initial and annual costs and savings, and break-even point for the project.
- f) Is Liberty (Park) pursuing any grants or incentives by the federal, state, or local governments, the electric utility, or organization for the "EV Stations/ Infrastructure" capital project. If yes, identify the grants or incentives and the status of Liberty (Park)'s applications for the grants.
- g) Does Liberty (Park)'s RO Model in the current GRC Application offset the cost estimate of the "EV Stations/ Infrastructure" project with grants, incentives, or other contributions? If yes, identify the file, tab, and cell numbers where this calculation occurs

in the RO Model.

RESPONSE:

- a) No. This was an inadvertent omission. In order to accommodate changing the fleet to EVs, additional charging capacity is needed. Level 2 fast charging stations are needed in addition to more level 1 charging stations. To accommodate the additional load for EV charging, additional power needs to be obtained. Because the existing 800A service does not have enough capacity to serve additional charging stations, an additional 600A electrical service needs to be added. That size is required to provide power for 6 level 2 fast chargers and additional level 1 chargers. Additional capacity is required as the first step toward adding more charging capacity. The cost estimate includes bringing in the additional power and installing electrical feeds and panels to accommodate the chargers. One fast charger and 4 additional level 1 chargers are anticipated with this project. More chargers will then be added in the future as the EV fleet is built out.
- b)
 - i. As of January 1, 2024, Liberty has one electric vehicle, 2020 Chevrolet Bolt.
 - ii) Liberty does not have any EV vehicles planned for 2024 to 2027.
- c) Please see the attachment with preface Q5c for the rough cost estimate. Note that an error was made in the cost of this project due to neglecting to escalate the cost by one year. The cost of \$1,125,297 as submitted is in 2025 dollars, but the cost of the project in 2026 dollars comes to \$1,193,715 to account for annual escalation of costs.
- d) Liberty has not calculated annual savings for using EVs. Liberty is pursuing the use of EV vehicles, where practical, to comply with State of California initiatives to use EVs.
- e) Liberty did not perform a cost benefit analysis for the use of EVs.
- f) While Liberty is pursuing other grants, it has not found a good opportunity for a grant for implementation of EVs.
- g) No

This completes the partial response to Data Request No. 040-AA. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Data Request Response 040-AA
(dated May 28, 2024)



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

May 28, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 040-AA (Park Wells Treatment and Other Plant)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
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Date Received: May 15, 2024
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Extension: May 27, 2024

REQUEST NO. 1:

In its Workpapers, pages 8-2 and 8-4, Liberty (Park) categorizes its Utility Plant-in-Service and Accumulated Depreciation balances by CPUC account number. Provide existing asset data for each of the following well sites in a Microsoft Excel file with a separate tab for each well site.

The sites are:

- a) Well 28B
- b) Well 41A
- c) Well 46C
- d) Well 4B
- e) Well 40D

- f) Well 28D
- g) Well 6E
- h) Well 40B

Each tab should briefly describe the assets, such as land and improvements, at the well site, and identify the CPUC account number (e.g. 31000), the total value in Utility Plant-in-Service, and Accumulated Depreciation per asset as of January 1, 2024. Please make sure to include the value of any asset, including upgrades and rehabilitations, related to the well such as new and replacement variable frequency drives, motors, disinfection equipment, electrical equipment, and well buildings. The following table shows an example of the organization for the requested data.

Asset at Site	CPUC Account Number	Utility Plant-in-Service (\$)	Accumulated Depreciation (\$)

RESPONSE:

Please see the attached preface Q1a-h for the utility plant-in-service details as of January 1, 2024, organized by well site. This revision includes the previously missing assets provided on May 22, 2024. Additionally, as stated in the response on May 22, 2024, accumulated depreciation is not available for individual assets. Depreciation is recorded on asset groups rather than individual assets.

Please see the attachment with preface Q4 of Data Request #039-ZS for the complete list of the utility plant-in-service assets as of January 1, 2024.

REQUEST NO. 2:

In Exhibit B, pages 90-93, Liberty (Park) states that it proposes to install a PFAS treatment system at Well 46C and begin design on a second PFAS treatment system at Well 41A. On page 92 of Exhibit B, Liberty (Park) states that it contracted Best Drilling to evaluate Well 46C and that Best Drilling “indicated that the well has sufficient life in it to last the viable life of the proposed treatment equipment.”

- a) Please identify the full name of the contractor known as “Best Drilling” and the professional services it provides.
- b) Please provide documentation showing the results of Best Drilling’s evaluation of Well 46C. Please include the entirety of Best Drilling’s report as well as any other

communications related to Well 46C.

- c) Did Best Drilling or another contractor evaluate Well 41A in the same way Best Drilling evaluated Well 46C?
- d) What is the viable life of the proposed treatment equipment for Well 46C and Well 41A?
- e) Did Best Drilling also evaluate the cost of maintaining Well 46C for the duration of the viable life of the proposed treatment equipment? If so please provide those costs.
- f) Provide a cost benefit analysis comparing the ratemaking cost of Liberty's proposed treatment at Well 46C to the alternative of continuing to purchase water.

Please account for ratemaking costs such as depreciation expense and rate of return along with the costs of maintaining Well 46C in the cost benefit analysis.

- g) Provide documentation, such as consultant reports or contractor quotes, supporting the cost estimate for Liberty (Park)'s proposed PFAS treatment system at Well 46C.
- h) Provide the site drawing for Well 41A.
- i) What is the footprint of the PFAS removal system at Well 41A?
- j) Explain how Liberty (Park) determined that it is feasible to fit a PFAS treatment system at Well 41A.
- k) Has Liberty (Park) applied for alternate sources of funding for its PFAS treatment system, such as the Water Replenishment District of Southern California's (WRD) Remediation Program, the settlement between the U.S. public water suppliers and 3M Company, or federal and state government grant programs?
- l) Identify all sources of funding that Liberty (Park) has applied for and the status of Liberty (Park)'s applications regarding PFAS treatment system funding.

RESPONSE:

The responses were provided on May 22, 2024.

REQUEST NO. 3:

In Exhibit B, pages 80-81, Liberty (Park) states that it is continuing to replace meters at a rate to keep up with meter aging and battery failures. On page 80, Liberty (Park) states that it provides the detailed small meter replacement schedule, unit cost, and 2023 vendor quote for a 5/8-inch, 1-1/2-inch, and 2-inch meters. In its Workpapers, Section 6, page 6-2, Liberty (Park) shows a Construction Work in-Progress (CWIP) balance of \$1,966,123 as of 2022 for Account number

346 Meters. On page 69 of Exhibit B, Liberty (Park) states that it will install new water meters as part of the Cliveden-Broadacres-Grandee main replacement project.

- a) Please identify the Workpapers where Liberty (Park) provided the small meter replacement schedule, unit cost, and 2023 vendor quotes. If these Workpapers are not in the current GRC Application, or if the Workpapers were only provided in pdf format, provide them in a Microsoft Excel format.
- b) How many total 5/8-inch meters are currently installed at Liberty (Park) Central Basin Division water systems as of January 1, 2024?
- c) Explain why Liberty (Park) has a CWIP balance of \$1,966,123 for the Account no. 346 Meters. Specify whether this CWIP balance includes the cost of a portion of the 5/8-inch AMR meters that Liberty (Park) installed from 2018 to 2023.
- d) Provide the number of 5/8-inch Automated Meter Reading (AMR) meters that Liberty (Park) replaced each year from 2018 to 2023.
- e) Did Liberty (Park) install any 5/8-inch AMR meter at a connection for the first time (i.e. an AMR installation where Liberty (Park) did not replace an existing AMR meter) from 2018 to 2023? If yes, provide the number of those 5/8-inch AMR new installations for each year from 2018 to 2023.
- f) Identify the number of 5/8-inch AMR meters that Liberty (Park) is proposing to install as part of main replacement projects such as the "Cliveden-Broadacres-Grandee" project for each year from 2024 to 2027.
- g) Does Liberty (Park) include the 5/8-inch AMR meters that it proposes to replace as part of main replacement projects in the number of 5/8-inch AMR meter replacements for years 2024 to 2027 that appears in the Workpaper schedule referred to above in this Data Request, Item 3.a?

RESPONSE:

- a) Please see the attachments with preface Q3a.
- b) There are 25,990 5/8-inch meters installed as of January 1, 2024.
- c) Yes, a portion of the \$1,966,123 for account number 346 Meters included the cost of the 5/8" meters installed from 2018 to 2023.
- d) Number of meters replaced each year:

2018	2019	2020	2021	2022	2023
3,479	1,585	1,963	4,063	2,512	608

e) Yes.

2018	2019	2020	2021	2022	2023
7	11	6	15	27	13

f) The table below provides the number of 5/8” meters to be installed at all the proposed water main replacement projects from 2024 to 2027.

Project	Year	5/8" Meters to Be Installed
CBMR-10 Cliveden - Broadacres - Grandee	2025	137
CBMR-16 Area 41 & Target - Phase 2	2025	0
CBMR-5 Carlin & Olanda	2025	93
CBMR-7 Excelsior - Crossdale to Gridley	2025	50
CBMR-8 Alondra - Aprilia	2026	124
CBMR-9 Aprilia - Caldwell - Central	2026	205
CBMR-11 Liggett - Rosecrans	2026	8
CBMR-6 Clark - Rosecrans to Faywood	2027	0
CBMR-12 Jersey - Rosecrans - Liggett	2027	89

g) No, the 5/8” meters to be installed for the proposed water main replacement projects between 2024 to 2027 are not included in the meter replacement schedule.

REQUEST NO. 4:

In Exhibit B, page 89, Liberty (Park) states that it proposes to replace an existing emergency or back-up generator at the Forest Green site in the Mesa Crest water system. In its Workpapers, page 6-58, Liberty (Park) shows that it bases the cost estimate of the proposed Forest Green generator on the “Quinn CAT” unit cost.

On page 96 of Exhibit B, Liberty (Park) states that it plans to purchase a 400 kilowatt (kW) emergency generator to power “newer and larger facilities that cannot be supported by our existing generator fleet.” In its Workpapers, page 6-65, Liberty (Park) describes the 400 kW emergency generator as a replacement with a cost estimate of \$278,952.

- a) Provide documentation from a vendor or contractor that shows the “Quinn CAT” unit cost for the proposed Forest Green generator.
- b) Please identify all emergency or back-up power generators that Liberty (Park) currently has in Rate Base. For each generator, specify the year Liberty (Park) acquired it, the

power rating in kilowatts, and whether the generator is mobile or stationary.

- c) What is the expected service life of the back-up generators that Liberty (Park) normally purchases?
- d) Provide the power rating for the proposed Forest Green generator and explain why Liberty (Park) does not plan to use one of Liberty (Park)'s existing mobile generators at the Forest Green site.
- e) Identify the newer and larger facilities that Liberty (Park) states cannot be supported by the existing generator fleet. Explain if there are any more reasons why the existing generators cannot support these facilities besides power rating.
- f) Explain whether Liberty (Park) proposes that 400 kW generator should be a mobile generator or a permanent generator stationed at a specific site. If Liberty (Park) proposes a permanent generator, explain why a mobile generator could not be used.
- g) Provide documentation, in Microsoft Excel format, that shows a breakdown for the \$278,952 cost estimate. Also provide documentation from a vendor or contractor that shows the unit cost that Liberty (Park) used to develop the \$278,952 cost estimate.
- h) Please explain whether Liberty (Park) is required to report the number of hours that back-up generators operate throughout the year to a regulatory agency, such as an Air Quality Management District (AQMD). Please provide copies of any permits AQMD or otherwise that Liberty has for the generators.
- i) Provide records, such as reports to an AQMD or another agency, that show the number of hours that Liberty (Park) has used each back-up generator from 2014 to 2023.
- j) What year did Liberty (Park) begin to acquire and operate back-up generators for its water systems?
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- l) Please provide a detailed explanation of the occasion when Liberty (Park) has had to use the greatest number of back-up generators at the same time.

RESPONSE:

The responses were provided on May 22, 2024.

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- a) Did Liberty (Park) provide any testimony supporting the “EV Stations/ Infrastructure” capital project? If yes, identify the document and page numbers.
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 - i) In Utility Plant-in-Service as of January 1, 2024, and
 - ii) Planned as capital additions in the years 2024 to 2027.
- c) Provide documentation, in Microsoft Excel format, that shows a breakdown for the \$1,125,297 cost estimate. Also provide documentation from a vendor or contractor that shows the unit costs that Liberty (Park) used to develop the \$1,125,297 cost estimate.
- d) Identify and explain all annual savings that will result from the “EV Stations/ Infrastructure” capital project. Identify the file, tab, and cell numbers where the reduced expenses appear in Liberty (Park)’s current Results of Operations (RO) Model.
- e) Provide a cost-benefit analysis for the “EV Stations/ Infrastructure” capital project that, at least, identifies the expected service life of the infrastructure, estimated initial and annual costs and savings, and break-even point for the project.
- f) Is Liberty (Park) pursuing any grants or incentives by the federal, state, or local governments, the electric utility, or organization for the “EV Stations/ Infrastructure” capital project. If yes, identify the grants or incentives and the status of Liberty (Park)’s applications for the grants.
- g) Does Liberty (Park)’s RO Model in the current GRC Application offset the cost estimate of the “EV Stations/ Infrastructure” project with grants, incentives, or other contributions? If yes, identify the file, tab, and cell numbers where this calculation occurs in the RO Model.

RESPONSE:

The responses were provided on May 22, 2024

This completes the response to Data Request No. 040-AA. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachments

Data Request Response 048-KN



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711

July 15, 2024

DATA REQUEST RESPONSE

LIBERTY UTILITIES (PARK WATER) CORP.

A.24-01-002

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

A.24-01-003

Test Year 2025 General Rate Case

Data Request No.: 048-KN (Uncollectible)
Requesting Party: Public Advocates Office
Originator: Suliman Ibrahim Suliman.Ibrahim@cpuc.ca.gov
Peter Chau Peter.Chau@cpuc.ca.gov
Katherine Nguyen Katherine.Nguyen@cpuc.ca.gov
Date Received: July 8, 2024
Due Date: July 15, 2024

REQUEST NO. 1:

Reference the 100-day update workpaper "PW25 Expense", Tab "Expense Detail", Cells M185 (\$2,006,805) and K185 (\$409,754). Please provide a detailed explanation for the increase between 2022 and 2023 uncollectible expense. Please also provide detailed support to substantiate Liberty Park's detailed explanation. This includes but is not limited to invoices, receipts, internal communications and memorandums, quotes, and estimate and any other relevant evidence that supports Liberty's Data Response. Please provide in Microsoft Excel format with links and formulas intact.

RESPONSE:

The 2023 uncollectible expense has been revised to \$742,278. The increase in uncollectibles from 2022 to 2023 was primarily due to the provision for uncollectible accounts, which resulted from the increased accounts receivable balance.

Please see the attachment with preface Q1 for the 2023 general ledger transactions detail.

This completes the response to Data Request No. 048-KN. If you have any questions, or require additional information, please contact me.

Sincerely,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

TIFFANY THONG

Manager, Rates and Regulatory Affairs

(562) 923-0711

Tiffany.Thong@libertyutilities.com

Attachment