

**Si necesita asistencia en español, tenemos representantes de servicio al cliente disponibles para ayudarle cuando lo solicite, por favor llame al número 1-800-481-9190.**

**NOTICE OF APPLICATION**

**Liberty Utilities (Apple Valley Ranchos Water) Corp.’s Request to Increase Water Rates  
APPLICATION 23-05-004**

**Why am I receiving this notice?**

On May 1, 2023, Liberty Utilities (Apple Valley Ranchos Water) Corp. (Liberty Apple Valley) filed Application 23-05-004 with the California Public Utilities Commission (CPUC) requesting authority to increase its authorized cost of capital and rate of return for the period of July 1, 2024, through June 30, 2027. Liberty Apple Valley is requesting this increase due to the increases in the cost of capital that it uses to fund facility improvements needed to provide service to customers. If the CPUC approves this request, Liberty Apple Valley’s revenues would increase by \$987,700, or 3.16%, on July 1, 2024.

**Why is Liberty Apple Valley requesting this rate increase?**

The CPUC requires Liberty Apple Valley to file a cost of capital application every three years. The authorized cost of capital determines the amount of money Liberty Apple Valley is allowed to recover in rates as a return on the funds it has invested in utility infrastructure used in providing water service. Liberty Apple Valley’s proposed cost of capital request for the period of July 1, 2024, through June 30, 2027, is summarized in the following table:

<b>Cost Factor</b>	<b>Capital Structure (Weight)</b>	<b>Cost</b>	<b>Weighted Cost</b>
Long-Term Debt	43.00%	3.99%	1.72%
Common Equity	57.00%	10.80%	<u>6.16%</u>
			7.87%

**How could this affect my monthly water rates?**

If the proposed application is approved by the CPUC, the average residential customer with a 5/8” x 3/4” meter using 11.95 CCF (CCF is one hundred cubic feet or 748 gallons) would see a monthly bill increase of \$2.79 (or 3.31%) from \$84.50 to \$87.29, from July 1, 2024, through June 30, 2027. The table below excludes applicable taxes and surcharges.

**Rate Impact on Average Residential Customer’s Bill**

	<b>Present Monthly Bill</b>	<b>Proposed Increase</b>	<b>Proposed Monthly Bill</b>	<b>Proposed Increase %</b>
5/8 inch x 3/4 inch meter	\$84.50	\$2.79	\$87.29	3.31%

### **How does the rest of this process work?**

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt Liberty Apple Valley's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding will review Liberty Apple Valley's application, including the Public Advocates Office, which is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information regarding the Public Advocates Office, please call 1-415-703-1584, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit [PublicAdvocates.cpuc.ca.gov](http://PublicAdvocates.cpuc.ca.gov).

### **Where can I get more information?**

#### **Contact Liberty Apple Valley**

Phone: 1-800-481-9190  
Email: [DLCAAVRCustomerService@libertyutilities.com](mailto:DLCAAVRCustomerService@libertyutilities.com)  
Mail: Liberty Utilities (Apple Valley Ranchos Water) Corp.  
Attention: Regulatory Department  
21760 Ottawa Road, Apple Valley, CA 92308

A copy of the Application and any related documents may also be reviewed at [www.libertyutilities.com/2024costofcapital/](http://www.libertyutilities.com/2024costofcapital/).

#### **Contact CPUC**

Please visit [apps.cpuc.ca.gov/c/A2305004](https://apps.cpuc.ca.gov/c/A2305004) to submit a comment about this proceeding on the CPUC Docket Card. You can also view documents and other public comments related to this application.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074**  
Email: [Public.Advisor@cpuc.ca.gov](mailto:Public.Advisor@cpuc.ca.gov)  
Mail: CPUC Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102

Please reference **Application 23-05-004** in any communications you have with the CPUC regarding this matter.