



Liberty Utilities Advice Letters – Liberty Utilities submits electric rate change advice letters occasionally throughout the year. Liberty Advice Letter (AL) 219-E provides information on the implementation of rate changes pursuant to Commission decision D.22-04-043 in Liberty's 2022 General Rate Case proceeding. The changes set forth in this AL resulted in an electric rate and bill increase beginning on July 1, 2023.

Estimated Bill Impacts of All Requested Electric Rate Changes Effective July 1, 2023:

Estimated Electric Bill Impacts ¹	Liberty as of June 1, 2023	Bill Change as of July 1, 2023	Liberty as of July 1, 2023
➤ Average Residential Non-CARE electric bill	\$124.33	\$28.10 (22.6%)	\$152.43
➤ Average Residential CARE ² electric bill	\$89.22	\$19.11 (21.4%)	\$108.33

Below are the primary drivers of Liberty's July 1, 2023, electric rate changes, which involve a revenue increase for its electric utility operations and capital investments.

Base Revenue Requirement increase set in [D.23-04-043](#), the 2022 Liberty General Rate Case, approving the all-party settlement agreement.

- On May 28, 2021, Liberty Utilities (CalPeco Electric) LLC (Liberty) filed its 2022 General Rate Case (GRC) Application (A.) 21-05-017 for authority to increase its authorized revenues for electric service; update its Energy Cost Adjustment Clause (ECAC) billing factors; and establish marginal costs, allocate revenues, and design rates.
- Decision D-23-04-043 adopted an all-party settlement agreement between Liberty, A-3 Customer Coalition (A-3), the Public Advocates Office of the California Public Utilities Commission (Cal Advocates), Small Business Utility Advocates (SBUA), and Tahoe Energy Ratepayers Group (Tahoe), concerning revenue requirement matters. The Revenue Requirement Settlement addressed all revenue requirement issues except for return on equity (ROE).



- Parties agreed to a 2022 revenue requirement of \$138.087 million, and capital expenditures of \$35.20 million for 2021 and \$53.443 million for 2022.
- The 2022 revenue requirement in the settlement is \$12.994 million, or 8.6%, less than Liberty's initial request of \$151.081 million.
- The decision also adopted a second all-party settlement agreement between Liberty, A-3, Cal Advocates, SBUA, and Tahoe, addressing marginal cost, revenue allocation, and rate design issues, resolving all issues concerning those subjects.
- D.23-04-043 set Liberty's ROE at 10.0%, the same return approved in its previous GRC.

AL 219-E implements Liberty's Post-Test Year Adjustment Mechanism request to increase its 2023 base revenue requirement by \$5.304 million as previously approved in AL 201-E

- As set forth in Section 9 of Liberty's Preliminary Statement, Liberty is authorized to request increases to its authorized base rate revenues based on the Consumer Price Index (CPI) as of September of each year, less a 0.5% productivity factor.
- On October 14, 2022, Liberty Utilities filed AL 201-E to increase its base rate revenues in accordance with its Post-Test Year Adjustment Mechanism (PTAM).
- The 2022 September CPI of 8.20%, less the 0.5% productivity factor, results in a 2023 PTAM attrition adjustment of 7.70%.
- Advice letter 201-E was approved by the CPUC's Energy Division in November 2022.

Update in General Rate Case Memorandum Account (GRCMA)

- Decision D.23-04-043 also authorized Liberty to use the GRCMA to track the difference in revenue requirement in effect on January 1, 2022, until the date the new tariffs are effective and amortize in rates from the date the new tariffs are implemented through December 31, 2024.

On May 30, 2023, Liberty submitted AL 219-E for its rate changes pursuant to D.22-04-043

- The Commission approved AL 219-E on June 6, 2023, thereby implementing the new rates approved in the settlement agreements and detailed in the above table starting on July 1, 2023.