



PUBLIC PARTICIPATION HEARING

Liberty Utilities

- Park Water
- Apple Valley Ranchos Water

Water Cost of Capital Application (A.23-05-004)

November 9, 2023



What Is This Application About?

Every three years, the California Public Utilities Commission (CPUC) requires Liberty Utilities Park Water (Park) and Liberty Utilities Apple Valley Ranchos Water (Apple Valley) to file a Cost of Capital (CoC) application. Pursuant to this requirement, on May 1, 2023 Park and Apple Valley filed the joint Application (A.) 23-05-004 requesting an increase in revenues for the period from January 1, 2024 through December 31, 2026.

This CoC application allows the CPUC to take a broad, in-depth look at a utility’s proposed financing capital structure and authorize a reasonable Rate of Return (ROR) to enable the utility to attract investors for infrastructure improvements. The ROR consist of the weighted average cost of debt and equity a utility has issued to finance its capital investments.

What Is The Proposed Capital Structure For Park And Apple Valley?

Park & Apple Valley Capital Structure	Current Adopted – D.18-12-002			Proposed – A.23-05-004		
	Capital Ratio	Cost	Weighted Cost	Capital Ratio	Cost	Weighted Cost
Debt	43%	4.71%	2.0253%	43%	3.99%	1.7157%
Equity	57%	9.35%	5.3295%	57%	10.80%	6.156%
Rate of Return	7.35%			7.87%		

How Much Will Revenue Increase For Park And Apple Valley?

The total requested increases are \$ or % for Park and \$ or % for Apple Valley beginning January 1, 2024.





How Much Will The Water Bills Increase For Customers?

Residential Rate Impacts from CoC Request

(Not including CPUC fee, surcharges, refunds, or taxes)

Park

Service Charge (Meter Size)	Current	Proposed
5/8"	\$37.69	\$40.29
3/4"	\$56.54	\$60.44
1-inch	\$94.23	\$100.73
Usage Charge (per CCF)	Current	Proposed
Tier 1 (0-6 CCF)	\$4.273	\$4.561
Tier 2 (6-18 CCF)	\$5.697	\$6.081
Tier 3 (Over 18 CCF)	\$9.628	\$10.277

Apple Valley

Service Charge (Meter Size)	Current	Proposed
5/8"	\$35.54	\$38.71
3/4"	\$53.31	\$58.07
1-inch	\$88.85	\$96.78
Usage Charge (per CCF)	Current	Proposed
Tier 1 (0-6 CCF)	\$3.205	\$3.487
Tier 2 (6-26 CCF)	\$4.273	\$4.649
Tier 2 (Over 26 CCF)	\$7.392	\$8.043

Under Park and Apple Valley’s request, an average residential customer for Park with a 5/8-inch meter using 9 CCF (1 CCF = 748 gallons) would see a bill increase from \$80.42 currently to \$85.90 per month. That is an increase of \$5.48 or 6.8%. An average residential customer for Apple Valley with a 5/8-inch meter using 12 CCF (1 CCF = 748 gallons) would see a bill increase from \$80.41 currently to \$87.53 per month. That is an increase of \$7.12 or 8.9%.



What Other Rate Requests Are Pending?

Park and Apple Valley have no other pending applications before the CPUC.

How Can I Have My Voice Heard And Find Out More?

The CPUC will hold 2 Public Participation Hearings for customers to have their voices heard. The assigned Administrative Law Judge will preside at these hearings and a court reporter will transcribe the hearings. For further information on these hearings, please visit <https://www.CPUC.ca.gov/PPH/>.

Customers can also submit electronic comments specific to this proceeding and review all other public comments submitted by using the “Add Public Comment“ tab of the docket card at <https://apps.cpuc.ca.gov/c/A2305004>.

To view all formal filings in this proceeding, go to <https://apps.cpuc.ca.gov/p/A2305004>.

The Public Advocates Office is an independent consumer advocate within the CPUC who will review, audit, and submit formal testimony to this proceeding. Its website is: <https://www.publicadvocates.cpuc.ca.gov>.

The CPUC’s Public Advisor can be contacted by email at public.advisor@cpuc.ca.gov or by phone at 866-849-8390.

The CPUC’s Water Division provides information on the regulatory process for water utilities at: <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division/>.