



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Liberty Utilities (CalPeco Electric) LLC (U-933 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Daniel W. Marsh

Phone #: 562-299-5104

E-mail: Dan.Marsh@libertyutilities.com

E-mail Disposition Notice to: Dan.Marsh@libertyutilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 121-E

Tier Designation: Tier 1

Subject of AL: Liberty Utilities (CalPeco Electric) LLC (U-933 E) – Compliance with California Public Utilities Code Section 591.

Keywords (choose from CPUC listing): Compliance

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: California Public Utilities Code Section 591

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 7/3/19

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Daniel W. Marsh  
Title: Manager, Rates and Regulatory Affairs  
Utility Name: Liberty Utilities (CalPeco Electric) LLC  
Address: 9750 Washburn Road  
City: Downey State: California  
Telephone (xxx) xxx-xxxx: 562-299-5104  
Facsimile (xxx) xxx-xxxx:  
Email: Dan.Marsh@libertyutilities.com

Name:  
Title:  
Utility Name:  
Address:  
City: State: Wyoming  
Telephone (xxx) xxx-xxxx:  
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## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



Liberty Utilities (CalPeco Electric) LLC  
933 Eloise Avenue  
South Lake Tahoe, CA 96150  
Tel: 800-782-2506  
Fax: 530-544-4811

July 3, 2019

**VIA EMAIL AND UPS**

**Advice Letter 121-E  
(U 933-E)**

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102-3298

**Subject: Liberty Utilities (CalPeco Electric) LLC (U-933 E) – Compliance with California Public Utilities Code Section 591.**

Liberty Utilities (CalPeco Electric) LLC (U 933-E) (“Liberty CalPeco”) submits this **Tier 1** Advice Letter to comply with California Public Utilities Code Section 591.

**Background**

California Public Utilities Code § 591(a) states, “The commission shall require an electrical or gas corporation to annually notify the commission, as part of an ongoing proceeding or in a report otherwise required to be submitted to the commission, of each time since that notification was last provided that capital or expense revenue authorized by the commission for maintenance, safety, or reliability was redirected by the electrical or gas corporation to other purposes.”

**Analysis**

Decision (“D.”) 16-12-024 authorized \$77.8M in revenue requirement for Liberty CalPeco for Test Year 2016. While safety was addressed in the 2016 Liberty CalPeco general rate case, the only specific program outlined in the Decision was the company’s vegetation management program.<sup>1</sup> The revenue requirement authorized for Liberty CalPeco was limited to test year 2016 and did not identify specific projects or expenditures for 2018.

Attachments A and B contain the Liberty CalPeco budgeted and Liberty CalPeco actual dollar amounts for 2018, as well as the variation between the two amounts. Liberty CalPeco has indicated which capital projects and operating and maintenance expenditures were used for safety and reliability purposes. The analysis in the Attachments A and B best represent Liberty CalPeco’s authorized level versus its actual spend level for calendar year 2018.

**Effective Date**

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<sup>1</sup> See D.16-12-024 at 25.

Energy Division Tariff Unit  
California Public Utilities Commission  
July 3, 2019  
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Liberty CalPeco requests that this Tier 1 advice filing become effective **July 3, 2019**.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile, or email, any of which must be received no later than **July 23, 2019**, which is 20 days after the date of this filing. The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102-3298  
Facsimile: (415) 703-2200  
Email: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

The protest also should be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty CalPeco at the addresses show below on the same date it is mailed or delivered to the Commission.

Liberty Utilities (CalPeco Electric) LLC  
Attn.: Advice Letter Protests  
933 Eloise Avenue  
South Lake Tahoe, CA 96150  
Fax: 530-544-4811  
Email: [Dan.Marsh@libertyutilities.com](mailto:Dan.Marsh@libertyutilities.com)

### **Notice**

In accordance with General Order 96-B, Section 4.3, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list.

If additional information is required, please do not hesitate to contact me.

Sincerely,

*/s/ Dan Marsh*

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Dan Marsh  
Manager, Rates and Regulatory Affairs  
Liberty Utilities (CalPeco Electric) LLC

cc: Liberty CalPeco Advice Letter Service List

Liberty Utilities (CalPeco Electric) LLC  
Advice Letter Filing Service List  
General Order 96-B, Section 4.3

**VIA EMAIL**

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## Attachment A: 2018 CalPeco Capital Budget vs. Actual Spend

<b>Safety and Reliability Projects</b>	<b>2018 BGT</b>	<b>2018 ACT</b>	<b>Variance (\$)</b>
625/650	12,500,000.00	104,318.00	12,395,682.00
7300 Phase II	100,000.00	40,196.38	59,803.62
Distribution Rebuilds	280,000.00	1,630,544.00	(1,350,544.00)
Farad Line Rebuild	0.00	-	-
Kingswood Underground Dist Rebuild	0.00	-	-
Meter Replacements 2014 - 2018	150,000.00	35,584.00	114,416.00
Misc Underground Dist Rebuild	0.00	-	-
Mobile Home Mandated Conversion	200,000.00	16,800.71	183,199.29
O/H Failures	600,000.00	677,856.00	(77,856.00)
O/H Services - Replacements	1,680,000.00	1,253,865.00	426,135.00
O/H Services-Comm'l	12,000.00	3,234.00	8,766.00
O/H Services-Residential	340,000.00	197,043.00	142,957.00
O/H Rebuild	0.00	3,747.00	(3,747.00)
Pole Replacement Pursuant To Test	450,000.00	851,015.00	(401,015.00)
Storm	0.00	-	-
Street & Hwy Improvements	162,883.39	153,468.00	9,415.39
Submersible Transformer Replacements	99,996.00	4,511.00	95,485.00
Substation equipment replacement	600,000.00	337,043.00	262,957.00
U/G Failures - Non-Service	0.00	48,768.00	(48,768.00)
U/G Services- Replacements	0.00	44,454.00	(44,454.00)
U/G Services-Comm'l	447,627.62	158,119.00	289,508.62
U/G Services-Residential	1,150,002.00	205,055.00	944,947.00
<b>Total</b>	<b>18,772,509.01</b>	<b>5,765,621.09</b>	<b>13,006,887.92</b>

<b>Customer Driven</b>	<b>2018 BGT</b>	<b>2018 ACT</b>	<b>Variance (\$)</b>
Claims	60,000.00	77,436.00	(17,436.00)
Commercial New Business >50kW	445,000.00	136,731.00	308,269.00
Commerical New Business < 50kW	0.00	130,247.00	(130,247.00)
Meters New Business	60,866.53	179,660.00	(118,793.47)
New Subdivision > 4 Units (incl Martis Camp)	245,000.00	20,520.00	224,480.00
Residential New Business < 4 Units	60,000.00	37,328.00	22,672.00
Rule 20	0.00	157,346.11	(157,346.11)
Truckee Railyard	600,000.00	3,638,758.00	(3,038,758.00)
<b>Total</b>	<b>1,470,866.53</b>	<b>4,378,026.11</b>	<b>(2,907,159.58)</b>

<b>Grid Automation</b>	<b>2018 BGT</b>	<b>2018 ACT</b>	<b>Variance (\$)</b>
IT System Implementation - Office	0.00	-	-
Outage Management System & Equipment	0.00	-	-
SCADA	0.00	3,752,664.00	(3,752,664.00)
System Implementation - GIS	0.00	-	-
<b>Total</b>	<b>-</b>	<b>3,752,664.00</b>	<b>(3,752,664.00)</b>

<b>Other</b>	<b>2018 BGT</b>	<b>2018 ACT</b>	<b>Variance (\$)</b>
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CEMA	0.00		-
Corp Capital	0.00		-
Corp IT	0.00	280,461.00	(280,461.00)
Employee Workstations	30,000.00	28,237.00	1,763.00
Environmental	0.00	81,304.00	(81,304.00)
EV Charging Stations	0.00	34,876.00	(34,876.00)
Facilities (Building) Improvements	0.00	15,000.00	(15,000.00)
Fleet Replacements/Additions	550,000.00	478,524.00	71,476.00
Misc Project	0.00	157,031.00	(157,031.00)
MV90 Implementation	0.00		-
Office Improvements & Furniture	0.00		-
Small Tools	0.00		-
Squaw Valley	8,000,000.00	150,063.00	7,849,937.00
Street Lights/NightGuards	10,000.00		10,000.00
AMI Meters	0.00	827,824.00	(827,824.00)
TRPA BMP Standards	0.00		-
Total	<u>8,590,000.00</u>	<u>2,053,320.00</u>	<u>6,536,680.00</u>
Grand Total	<u>28,833,375.54</u>	<u>15,949,631.20</u>	<u>12,883,744.34</u>



Attachment B: 2018 CalPeco Operating and Maintenance Expenses

FERC Chart of Accounts: Operation and Maintenance Expense	2018 BGT	2018 ACT	Variance (\$)	Safe/Reliability BGT	Safe/Reliability ACT	Variance (\$)
547 Fuel.	\$0.00	\$114,572.54	-\$114,572.54			
550 Rents. (Other Power Generation)	\$109,376.40	\$109,376.37	\$0.03			
553 Maintenance of generating and electric plant (Major only).	\$649,601.88	\$626,288.93	\$23,312.94	\$649,601.88	\$626,288.93	\$23,312.94
554 Maintenance of miscellaneous other power generation plant (Major only).	\$0.00	\$44,555.42	-\$44,555.42	\$0.00	\$44,555.42	-\$44,555.42
555 Purchased power.	\$33,718,012.58	\$27,521,056.23	\$6,196,956.35			
557 Other expenses.	\$0.00	-\$1,641,739.00	\$1,641,739.00			
580 Operation supervision and engineering.	\$330,480.86	\$233,383.08	\$97,097.78			
581 Load dispatching (Major only).	\$554,924.37	\$697,305.61	-\$142,381.24	\$554,924.37	\$697,305.61	-\$142,381.24
582 Station expenses (Major only).	\$53,588.96	\$4,484.53	\$49,104.43	\$53,588.96	\$4,484.53	\$49,104.43
583 Overhead line expenses (Major only).	\$241,913.69	\$62,284.24	\$179,629.45	\$241,913.69	\$62,284.24	\$179,629.45
584 Underground line expenses (Major only).	\$105,432.62	\$34,971.90	\$70,460.72	\$105,432.62	\$34,971.90	\$70,460.72
585 Street lighting and signal system expenses.	\$2,340.02	\$911.30	\$1,428.72	\$2,340.02	\$911.30	\$1,428.72
586 Meter expenses.	\$33,040.46	\$7,916.22	\$25,124.24	\$33,040.46	\$7,916.22	\$25,124.24
588 Miscellaneous distribution expenses.	\$1,991,382.43	\$2,129,527.12	-\$138,144.69	\$1,991,382.43	\$2,129,527.12	-\$138,144.69
589 Rents. (Distribution Expenses)	\$0.00	\$52,694.94	-\$52,694.94			
590 Maintenance supervision and engineering (Major only).	\$0.00	\$0.00	\$0.00			
591 Maintenance of structures (Major only).	\$31,223.55	\$37,384.65	-\$6,161.10	\$31,223.55	\$37,384.65	-\$6,161.10
592 Maintenance of station equipment (Major only).	\$250,314.86	\$176,862.71	\$73,452.15	\$250,314.86	\$176,862.71	\$73,452.15
593 Maintenance of overhead lines (Major only).	\$1,437,807.87	\$770,911.56	\$666,896.31	\$1,437,807.87	\$770,911.56	\$666,896.31
594 Maintenance of underground lines (Major only).	\$305,476.67	\$254,814.26	\$50,662.41	\$305,476.67	\$254,814.26	\$50,662.41
595 Maintenance of line transformers.	\$2,839.33	\$26,320.59	-\$23,481.26	\$2,839.33	\$26,320.59	-\$23,481.26
596 Maintenance of street lighting and signal systems.	\$10,074.65	\$5,902.49	\$4,172.16	\$10,074.65	\$5,902.49	\$4,172.16
597 Maintenance of meters.	\$43,659.90	\$43,437.84	\$222.06	\$43,659.90	\$43,437.84	\$222.06
598 Maintenance of miscellaneous distribution plant.	\$546,205.21	\$691,727.45	-\$145,522.24	\$546,205.21	\$691,727.45	-\$145,522.24

901 Supervision (Major only). (Customer Accounts)	\$149,185.17	\$113,218.67	\$35,966.50			
902 Meter reading expenses.	\$320,596.29	\$343,066.52	-\$22,470.23			
903 Customer records and collection expenses.	\$1,828,265.81	\$1,575,848.90	\$252,416.91			
904 Uncollectible accounts.	\$113,918.87	\$105,294.00	\$8,624.87			
905 Miscellaneous customer accounts expenses (Major only).	\$966.60	\$360.69	\$605.91			
907 Supervision (Major only). (Customer Service and Informational Services)	\$12,973.95	\$152,000.35	-\$139,026.40			
908 Customer assistance expenses (Major only).	\$603,915.79	\$861,398.33	-\$257,482.54			
910 Miscellaneous customer service and informational expenses (Major only).	\$18,465.57	\$24,539.63	-\$6,074.06			
920 Administrative and general salaries.	\$4,023,161.40	\$4,672,796.55	-\$649,635.15			
921 Office supplies and expenses.	\$1,231,223.20	\$1,209,528.42	\$21,694.78			
922 Administrative expenses transferred—Credit.	-\$1,581,779.94	-\$2,320,538.69	\$738,758.75			
923 Outside services employed.	\$3,858,171.12	\$4,330,824.47	-\$472,653.35			
924 Property insurance.	\$218,391.67	\$21,996.12	\$196,395.55			
925 Injuries and damages.	\$440,000.00	\$644,769.58	-\$204,769.58			
926 Employee pensions and benefits.	\$2,119,628.30	\$2,151,309.86	-\$31,681.56			
928 Regulatory commission expenses.	\$551,040.00	\$541,321.49	\$9,718.51			
930.1 General advertising expenses.	\$69,331.16	\$51,285.14	\$18,046.02			
931 Rents. (Administration and General Expenses)	\$27,299.98	\$7,008.91	\$20,291.07			
935 Maintenance of general plant.	\$184,848.62	\$188,647.37	-\$3,798.75	\$184,848.62	\$188,647.37	-\$3,798.75
Total	\$54,607,299.85	\$46,679,627.29	\$7,927,672.56	\$6,444,675.09	\$5,804,254.19	\$640,420.90