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**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

December 4, 2024

**Agenda ID #23151**  
**Ratesetting**~~TO PARTIES OF RECORD IN APPLICATION 21-05-017:~~

~~This is the proposed decision of Administrative Law Judge Rafael L. Lirag. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's January 16, 2025, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.~~

~~Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.~~

~~The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).~~

~~/s/ MICHELLE COOKE~~

~~Michelle Cooke~~

~~Chief Administrative Law Judge~~

MLC: hma

Attachment

Decision ~~PROPOSED DECISION OF ALJ LIRAG (Mailed 12/4/24)~~

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Liberty Utilities (CalPeco Electric) LLC (U933E) for Authority to Among Other Things, Increase Its Authorized Revenues for Electric Service, Update Its Energy Cost Adjustment Clause Billing Factors, Establish Marginal Costs, Allocate Revenues, And Design Rates, as of January 1, 2022.

Application 21-05-017

**DECISION DENYING LIBERTY UTILITIES (CALPECO ELECTRIC) LLC'S PETITION FOR MODIFICATION**

**Summary**

Today's decision denies the Petition for Modification of Decision (D.)23-04-043 filed Liberty Utilities (CalPeco Electric) LLC (Liberty). D.23-04-043 granted intervenor compensation to ~~the~~ Small Business Utility Advocates for its contribution to D.23-04-043.<sup>1</sup>

Liberty's sole request in this Petition is to request authority to establish an intervenor compensation memorandum account to track costs associated with intervenor requests for compensation.

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<sup>1</sup> D.23-04-043 addressed Liberty's Test Year 2022 General Rate Case application.

This decision concludes that Liberty has not met the conditions for establishing a memorandum account as set forth in the Commission's Standard Practice U-27-W. Liberty has not demonstrated why a memorandum account is necessary to track intervenor costs when it can already track these costs using its current method of doing so.

~~This proceeding is closed.~~

### **1. Procedural Background**

On June 19, 2023, Small Business Utility Advocates (SBUA) filed a request for intervenor compensation for its contribution to Decision (D.)23-04-043.<sup>2</sup>

On February 24, 2024, the Commission issued D.24-02-031 granting compensation to SBUA for substantial contribution to D.23-04-043.

On October 25, 2024, Liberty Utilities (CalPeco Electric) LLC (Liberty) filed a Petition for Modification of D.24-02-031 (Petition).

### **2. Liberty's Request**

Liberty's sole reason for filing this Petition is to request authority to establish a memorandum account to track costs associated with intervenor requests for compensation pursuant to Article 17 of the Rules of Practice and Procedure (Rules).

### **3. Discussion of Liberty's Request**

The Petition was filed within 1 year from the effective date of the decision that is being sought to be modified and pursuant to Section 16.4(c) of the Rules, the Petition was timely filed.

Liberty contends that a memorandum account is commonly used by utilities to track expenses and costs and that establishment of the proposed

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<sup>2</sup> D.23-04-043 issued on April 27, 2023 addressed the Test Year 2022 General Rate Case Application of Liberty Utilities (~~CalPeco~~[Calpeco](#) Electric) LLC.

intervenor compensation memorandum account (ICMA) will allow it to track costs associated with intervenor requests for compensation. Liberty adds that the ICMA will allow it to track payments made and received and preserve its right to seek recovery of costs paid to intervenors.

To authorize the establishment of a memorandum account, the Commission must typically find the following conditions to exist, as set forth in the Commission's Standard Practice U-27-W:<sup>3</sup>

- the costs at issue were caused by an event of an exceptional nature outside of the utility's control;
- the expenses could not have been included in utility's ~~General Rate Case (GRC)~~ forecast;
- the utility is already incurring, or is about to incur, the costs and such costs will occur before the utility's next GRC;
- the costs are substantial and not speculative;
- the costs are incremental and not already recovered in rates; and,
- ratepayers will benefit by the memorial account treatment.

In this case, we find that the requirements for establishing a memorandum account have not been met. Liberty has not demonstrated that intervenor compensation awards are events of an exceptional nature and has not shown that the expenses are not already included as part of its [general rate case \(GRC\)](#) forecasts.<sup>4</sup>

In addition, Liberty has not shown that its intervenor costs are substantial in nature. While the Commission has not adopted a strict threshold of what is

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<sup>3</sup> See Standard Practice U-27-W Section D.

<sup>4</sup> Liberty did indicate that recent claims are larger than what it is accustomed to.

substantial, and we do not do so here, Liberty's size, authorized revenue requirements, and forecast operating costs are informative reference points.

It is also unclear how ratepayers will benefit from the establishment of the requested memorandum account. Under Section 1807 of the Public Utilities Code, an intervenor granted compensation by a Commission decision shall be paid the awarded amount by the utility that is the subject of the proceeding in which the intervenor participated in. Said utility is then authorized to recover the amount paid to the intervenor by adjusting its rates in order to pay for the amount awarded.

Lastly, Liberty has not shown why a memorandum account is necessary to track intervenor costs when it can track these costs internally or using its current method of tracking such costs.

Based on the above, we deny Liberty's request for authority to establish the ICMA and direct Liberty to continue tracking intervenor costs using its current method in order to preserve its ability to potentially recover such costs. The Petition is therefore denied.

#### **4. Comments on Proposed Decision**

The proposed decision of the assigned Administrative Law Judge in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure.

~~Comments were filed by \_\_\_\_\_ on \_\_\_\_\_. Reply~~[No](#) comments were filed ~~by \_\_\_\_\_ on \_\_\_\_\_.~~

#### **5. Assignment of Proceeding**

Commissioner John Reynolds is the assigned Commissioner and Rafael Lirag is the assigned Administrative Law Judge in this proceeding.

**Findings of Fact**

1. Liberty has not demonstrated that intervenor compensation awards are events of an exceptional nature and that the expenses are not already included as part of its GRC forecasts.
2. Liberty has not shown that its intervenor costs are substantial in nature.
3. It is also unclear how ratepayers will benefit from the establishment of the requested memorandum account.
4. Liberty can track intervenor compensation costs internally or using its current method of tracking such costs.

**Conclusions of Law**

1. Liberty’s request to establish a memorandum account to track costs associated with intervenor requests for compensation should be denied.
2. Liberty’s Petition for Modification should be denied.

**O R D E R**

**IT IS ORDERED** that:

1. The Petition for Modification filed by Liberty Utilities (CalPeco Electric) LLC to modify Decision 23-04-043 is denied.
2. The request by Liberty Utilities (CalPeco Electric) LLC for authorization to establish a memorandum account to track costs associated with intervenor requests for compensation is denied.
3. Application 21-05-017 is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

<b>Summary report:</b>	
<b>Litera Compare for Word 11.0.0.61 Document comparison done on 1/10/2025 1:58:13 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> CLEAN A.21-05-017 PD 1-16 Agenda.docx	
<b>Modified filename:</b> (Rev. 1) A.21-05-017 PD 1-16 Agenda.docx	
<b>Changes:</b>	
<u>Add</u>	7
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<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	1
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>32</b>