

Decision 26-08-012 August 13, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Liberty Utilities
(Park Water) Corp. (U 314-W) for
Authority to Increase Rates
Charged for Water Service by
\$9,260,000 or 22.08% in 2025,
\$2,182,928 or 4.24% in 2026, and
\$2,139,448 or 3.96% in 2027.

Application 24-01-002

And Related Matter.

Application 24-01-003

**DECISION MODIFYING DECISION 26-05-032 ADOPTING REVENUE
REQUIREMENTS FOR TEST YEAR 2025 GENERAL RATE CASES OF
LIBERTY UTILITIES (PARK WATER) CORP. AND LIBERTY UTILITIES
(APPLE VALLEY WATER) CORP.**

Summary

This decision grants the Petitions for Modification filed by Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp. of Decision (D.) 26-05-032, as modified by the herein decision. When the Commission adopted D.26-05-032, the calculated Results of Operations for both companies were incorrect. This decision adopts the correct revenue requirement for both companies for test year 2025 and attrition years 2026 and 2027.

This decision closes consolidated proceedings, Application (A.) 24-01-002, and A. 24-01-003.

1. Background

On January 2, 2024, Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp. (AVR) each filed a 2025 Test Year (TY) general rate case (GRC) Application¹ with the California Public Utilities Commission (Commission). The Commission consolidated the Park Water and AVR (collectively referred to as Liberty or Applicant) GRC applications.² On May 15, 2026, the Commission issued D.26-05-032, resolving Liberty's GRC Applications.

Following issuance of D.26-05-032, Liberty met with the Commission's Public Advocates Office (Cal Advocates), the Commission's Water Division (Water Division), and other interested parties to discuss errors identified in D.26-05-032. On May 26, 2026, Liberty served a letter on the parties and service list requesting that the Commission's Executive Director issue an Order Correcting Error to correct what Liberty initially characterized as errors that were non-substantive.

On June 23, 2026, the assigned Administrative Law Judge (ALJ) conducted a status conference with the parties to discuss Liberty's May 26, 2026, letter requesting an Order Correcting Error. At the status conference, the parties and

¹ See, A. 24-01-002 and A. 24-01-003 (Applications)

² See February 9, 2024, ALJ ruling consolidating the two GRC applications.

Water Division agreed that corrections to D.26-05-032 were required to implement the correct new rates as intended by the Commission. On June 25, 2026, the assigned ALJ directed Liberty to file a Petition for Modification (PFM) by June 29, 2026, requesting that the Commission modify D.26-05-032 to correct the identified errors.³

2. On June 29, 2026, Park Water and AVR each filed a timely PFM requesting that errors in the Results of Operations (RO) model in D.26-05-032 be corrected.⁴
Standard of Review

Public Utilities (Pub. Util.) Code Section 1708 authorizes the Commission to "rescind, alter, or amend any order or decision made by it." Modifying an existing decision, however, is an extraordinary remedy that must be carefully applied to keep with the principles of res judicata since "Section 1708 represents a departure from the standard that settled expectations should be allowed to stand undisturbed."⁵

The Commission has consistently held that a petition for modification is not a substitute procedural vehicle for raising legal issues that may be raised in an Application for Rehearing.⁶ The Commission "will not consider issues which

³ Rule 16.4 of the Commission's Rules of Practice and Procedure addresses the proper use of a PFM as well as the specific requirements to correctly file a PFM.

⁴ See, Rule 16.4(c), (d). As relevant here, Liberty filed the PFM within one year of D.26-05-032 and properly served the PFM on all parties to the proceeding.

⁵ 1980 Cal. PUC LEXIS 785, 24; *see also* 2015 Cal. PUC LEXIS 278, 7.

⁶ See 2011 Cal. PUC LEXIS 483, 4.

are simply re-litigation of issues that were decided in [the original decision].”⁷

However, as permitted under Rule 16.4(b) of the Commission’s Rules of Practice and Procedure (Rule(s)), allegations of new or changed facts may be raised in a PFM if properly supported by the appropriate declaration or affidavit.

3. Discussion and Analysis

As discussed in detail below, we find that Liberty complied with Rule 16.4.⁸ In addition, we find that Liberty demonstrated good cause to modify D.26-05-03, and based on the discussion below, grant Liberty’s PFM.

3.1. Justification for Modification

Rule 16.4(b) requires Liberty to state the justification for the requested relief, as well as provide the Commission with specific wording to carry out all requested modifications to the decision. Liberty asserts that certain adopted costs⁹ were not correctly included in the authorized revenue requirement due to a linking issue in the RO model. In addition, Appendices A through E to D.26-05-032 used an incorrect uncollectible rate, which impacts the net-to-gross multiplier and also relied on incorrect meter sales for certain customer classes. As a result,

⁷ *Id.*

⁸ Liberty’s timely filed PFM asked the commission to make changes to a Commission decision (Rule 16(a)(d)); stated the justification for the requested relief and provided specific wording to carry out the requested modifications; and served the PFM on all parties to the proceeding.

⁹ *See*, Liberty Utilities Petition for Modification (PFM) at 2. Customer First O&M Annual Maintenance Costs were adopted by the Commission’s in D.26-05-032 but were not reflected in the RO model utilized for D.26-05-032 for Park Water and AVR. As a result, Liberty asserts that the RO model must be updated to reflect the correct revenue requirement totals and associated Appendices A through E to D.26-05-032 to properly align with the Commission’s adopted determination in D.26-05-032.

Liberty argues that the revenue requirement totals and associated appendices do not fully align with the Commission’s adopted determinations. We find that Liberty’s PFM provided the requisite justification for the requested relief.

Specifically, Liberty seeks to correct the following errors in D.26-05-032:

Revenue Requirement Summary Tables¹⁰

Park Water

Rate Year Period	Adopted Revenue Requirement (Current)	Adopted Revenue Requirement (Corrected)	% Increase (Current)	% Increase (Corrected)
Test Year 2025	-\$300,000	\$150,000	-0.70%	0.35%
Escalation 2026	\$807,211	\$803,283	1.89%	1.86%
Attrition 2027	\$847,786	\$846,727	1.93%	1.91%

Apple Valley Ranchos

Rate Year Period	Adopted Revenue Requirement (Current)	Adopted Revenue Requirement (Corrected)	% Increase (Current)	% Increase (Corrected)
Test Year 2025	-\$2,387,279\$	-\$2,037,279	-7.78%	-6.64%
Escalation 2026	\$741,716	\$761,725	2.61%	2.64%
Attrition 2027	\$657,497	\$687,311	2.24%	2.31%

Liberty also requests that the Commission replace Appendices A through E to D.26-05-032 in their entirety with the corrected versions provided in its

¹⁰ D.26-05-032 at 2.

Attachment 1 to its June 29, 2026, PFM.¹¹ Liberty indicates that Appendix F to D.26-05-32 remains unchanged.¹² According to Liberty, the corrected appendices incorporate the revised and corrected revenue requirement values and align all supporting calculations with the Commission's adopted determinations. Liberty provided clean and redlined versions of the appendices, identifying all changes as required by the Rules.

We find Liberty's PFM persuasive. The parties and Water Division agreed that corrections to D.26-05-032 were required to implement the correct new rates as intended by the Commission. The PFM identifies the model errors and proposed corrections to the adopted revenue requirements embedded in the adopted RO model. We further find that correcting these errors results in revised revenue requirements of \$42,978,764 for Test Year 2025, \$44,038,764 for Attrition Year 2026, and \$45,134,359 for Attrition Year 2027 for Park Water; and \$28,655,000 for Test Year 2025, \$29,578,000 for Attrition Year 2026, and \$30,428,535 for Attrition Year 2027 for AVR, which are consistent with the Commission's prior findings and the evidentiary record.

As a result, we conclude that modification of D.26-05-032 is warranted to correctly calculate the allowed costs and adjustments from the RO model to conform with the decision's findings, ordering paragraphs, and appendices to the corrected revenue requirements, and ensure internal consistency with the

¹¹ Liberty PFM at 2, 4.

¹² Liberty PFM at 4.

Commission's adopted determinations. These corrections ensure that the rates correctly reflect the Commission's resolution of the issues in D. 26-05-032. These modifications are limited in scope, do not reopen previously decided substantive issues, and are necessary to implement the Commission's intent and ensure just and reasonable rates.

Accordingly, we adopt Liberty's proposed corrections to the revenue requirement, calculated by its corrected RO model, as consistent with the Commission's adopted determination.

We further adopt Liberty's proposed revenue requirements of \$42,978,764 for Test Year 2025, \$44,038,764 for Attrition Year 2026, and \$45,134,359 for Attrition Year 2027 for Park Water; and \$28,655,000 for Test Year 2026, \$29,578,000 for Attrition Year 2026, and \$30,428,535 for Attrition Year 2027 for AVR, and direct that all affected findings, ordering paragraphs, and appendices be revised to reflect these accounts.

For these reasons, Liberty's request is granted, and its PFM is granted as requested.

4. Comments on Proposed Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

5. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Margery L. Melvin is the assigned ALJ in this proceeding.

Findings of Fact

1. On May 15, 2026, the Commission issued D.26-05-32 resolving Liberty's GRC Applications.

2. On June 29, 2026, Liberty filed and served its PFM of D.26-05-032 on all parties to the proceeding.

3. D.26-05-032 contained inadvertent errors because certain adopted costs were not correctly reflected in the authorized revenue requirements for the consolidated proceedings.

4. The revenue requirement adopted in D.26-05-032 failed to include several cost allocations adopted by the Commission in D.26-05-032.

Conclusions of Law

1. Liberty's PFM was filed within one year of D.26-05-032, and is, therefore, timely. Liberty served its PFM on all parties to the proceeding. Liberty properly identified the inadvertent errors to be corrected, stated the justification for the requested relief, as well as provided the Commission with specific wording to carry out all requested modifications to the decision. As a result, Liberty's timely PFM complied with the requirements set forth in Rule 14.

2. The inadvertent errors in D.26-05-032 result in understated revenue requirements and inaccurate rates if left uncorrected. Modifications of D.26-05-032 to correct inadvertent errors in l should be granted.

3. There is good cause to correct the inadvertent errors in D.26-05-032, as set forth in this decision.

O R D E R

IT IS ORDERED that:

1. The Petitions for Modification of Decision 26-05-032 filed by Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp. are granted.

2. Appendices A-E of Decision 26-05-32, are corrected as set forth in updated versions included in this decision as Attachment 1.

3. Ordering Paragraph 1 of Decision 26-05-032 is modified as follows:

Liberty Utilities Park Water (Park Water) Corp. is granted \$42,978,764 in revenue requirement for Test Year 2025 in this general rate case, and also \$44,038,764 and \$45,134,359 for attrition years 2026 & 2027, respectively. Appendix C, Tables A through G, shows the adopted revenue requirement and rate base as well as the various expenses and other calculations necessary to fully implement this decision. Park Water Company must file a Tier 1 Advice Letter to implement the rates and charges authorized in this decision for rates effective July 1, 2025.

4. Ordering Paragraph 2 of Decision 26-05-032 is modified as follows:

Liberty Utilities Apple Valley Ranchos Water Company (Apple Valley Ranchos) Corp. is granted \$28,655,000 in revenue requirement for Test Year 2025 in this general rate case, and also \$29,578,000 and \$30,428,535 for attrition years 2026 & 2027, respectively. Appendix A and B, Tables A through G, shows the adopted revenue requirement and rate base as well as the various expenses and other calculations necessary to fully implement this decision. Apple Valley Ranchos must file a Tier 1 Advice Letter to

implement the rates and charges authorized in this decision for rates effective July 1, 2025.

5. Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp. shall file a Tier 1 Advice Letter no later than 60 days from the effective date of this order correcting the inadvertent errors and omissions in Decision 26-05-032 to implement necessary retail rate changes to collect the adopted 2025 test year base revenue requirement in accordance with the directives of this decision and Commission General Order 96-B.

6. Consolidated Application 24-01-002, et al. is closed.

This order is effective today.

Dated August 13, 2026, at San Francisco, California.

JOHN REYNOLDS

President

DARCIE L. HOUCK

KAREN DOUGLAS

MATTHEW BAKER

CHRISTINE HARADA

Commissioners

Attachment 1:

[A.24-01-002 et al Appendix A-E Corrected.pdf](#)