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SHAPIRO LAW FIRM, P.C.
Jay L. Shapiro (No. 014650)
1819 E. Morten Avenue, Suite 280
Phoenix, Arizona 85020
Telephone (602) 559-9575

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
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LIBERTY UTILITIES
Todd C. Wiley (No. 015358)
12725 W. Indian School Road, Suite D-101
Avondale, Arizona 85392

Attorneys for Liberty Utilities (Bella Vista Water) Corp.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF LIBERTY UTILITIES (BELLA VISTA
WATER) CORP., AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WATER RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-02465A-15-0367

AMENDMENT TO APPLICATION

Liberty Utilities (Bella Vista Water) Corp. ("Liberty Bella Vista") hereby amends Paragraph 3 of its Application as indicated below. Liberty Bella Vista has also corrected several typographical errors in the proposed Purchased Power Adjuster Mechanism ("PPAM") and Property Tax Adjuster Mechanism ("PTAM") documents (Attachments 3 and 4, respectively), and hereby submits new versions which are intended to replace those filed on October 28, 2015.

3. The person responsible for overseeing and directing the conduct of this rate application is Mr. Garlick, who was assisted by Liberty Bella Vista's rate consultant, Thomas Bourassa, and undersigned legal counsel. Mr. Garlick's mailing address is 12725 W. Indian School Road, Suite D-101, Avondale, Arizona 85392; his telephone number is (623) 298-3763; and his email address is Matthew.Garlick@libertyutilities.com.

1 Mr. Bourassa's mailing address is 139 W. Wood Drive, Phoenix, Arizona 85029;
2 his telephone number is (602) 246-7150; and his e-mail address is tjb114@cox.net.
3 **All discovery, data requests and other requests for information concerning this**
4 **Application should be directed to Mr. Garlick, including copies by e-mail, as well as**
5 **to Mr. Bourassa, with a copy by e-mail to undersigned counsel at**
6 **jay@shapslawaz.com and whitney@shapslawaz.com, and to Liberty's Assistant**
7 **General Counsel at Todd.Wiley@libertyutilities.com.**

8 17. Attached hereto as **Attachment 3** is Liberty Bella Vista's proposed PPAM.

9 18. Attached hereto as **Attachment 4** is Liberty Bella Vista's proposed PTAM.

10 RESPECTFULLY SUBMITTED this 12th day of November, 2015.

11 SHAPIRO LAW FIRM, P.C.

12
13 By: _____

Jay L. Shapiro
1819 E. Morten Avenue, Suite 280
Phoenix, AZ 85020

14
15 and

16 LIBERTY UTILITIES

17 Todd C. Wiley
18 Assistant General Counsel
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

19 Attorneys for Liberty Utilities
20 (Bella Vista Water) Corp.

21 ORIGINAL and thirteen (13) copies
22 of the foregoing were delivered
this 12th day of November, 2015, to:

23 Docket Control
24 Arizona Corporation Commission
1200 W. Washington Street
25 Phoenix, AZ 85007

26 By: Whitney Burt

ATTACHMENT 3

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

PROPOSED PLAN OF ADMINISTRATION FOR PURCHASED POWER ADJUSTMENT MECHANISM

I. GENERAL DESCRIPTION.

This document is the Plan of Administration (“POA”) for the Purchased Power Adjustment Mechanism (“PPAM”) for Liberty Utilities (Bella Vista Water) Corp. (“Liberty Bella Vista” or “Company”) approved by the Arizona Corporation Commission (“Commission”) in Decision No. _____ on _____, 2016. The PPAM allows Liberty Bella Vista to pass through to its customers the increase or decrease in purchased power costs that result from a rate change for any Commission-regulated electric service provider supplying retail electric service to the Company.

II. PPAM RELATED FILINGS.

A. Within 60 days of the effective date of a Commission Decision authorizing a rate change in the approved tariffs for any Commission-regulated electric service provider supplying retail electric service to the Company, the Company shall file with Docket Control an analysis of the actual impact on the energy portion of the Company’s electric service costs.

B. The Company will provide the Commission with spreadsheets detailing exactly how the Company’s purchased power expenses were calculated in the time period prior to a change in the rate that the Company must pay for purchased power. These calculations will include basic service charges and rate and volume figures. That is, the Company will break down its total purchased power bill into the amount due to fixed fees, volume of electricity used, and the rates paid per unit of electricity. For the period following the rate change, the Company will provide the same information, then compare the two periods, isolating any change in purchased power cost that is due exclusively to a rate change. The specific intent is to show exactly how much of any increase or decrease is due to changes in rates beyond the Company’s control and how much is due to a change in the amount of power that the Company consumes. The Company will only recover increases or refund decreases that are due to changes in rates.

C. All revised schedules filed with the Commission pursuant to the provisions of this PPAM will be accompanied by documentation prepared by the Company in a format approved by Utilities Division Staff of the Commission and will contain sufficient detail to enable the Commission to verify accuracy of the Company’s calculations.

D. The surcharges will not become effective until approved by the Commission.

E. The Company will file annually with the Commission a report detailing the Company's purchased power costs and any conservation or power-shifting measures employed by the Company.

F. The Company shall provide notice (in a form acceptable to Staff) of the rate increases to customers with the bill where the rate increase first appears.

III. APPLICATION TO WATER CUSTOMERS.

A. The increase or decrease in purchased power costs that are due to changes in rates at the Company's water facilities will be allocated on a per capita basis.

B. See the following example:

<i>Test Year</i>			<i>Current Year</i>	
Purchased Power Rate	\$0.0800	→	Purchased Power Rate	\$0.1000
Kilowatt Hours Used	1,250,000		Kilowatt Hours Used	1,250,000
Purchased Power Expense	\$100,000		Purchased Power Expense	\$125,000

<i>Pass Through Calculation</i>	
Current Year Purchased Power Expense	\$125,000
Test Year Purchased Power Expense	\$100,000
Increase in Purchased Power Expense Due to Rate Increase	\$25,000

<i>PPAM Charge on Sample Customer Bill</i>	
Increase in Purchased Power Expense Due to Rate Increase	\$25,000
Number of Water Customers	20,000
PPAM Charge on Sample Customer Bill	\$1.25

ATTACHMENT 4

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

**PROPOSED PLAN OF ADMINISTRATION FOR
PROPERTY TAX ADJUSTMENT MECHANISM**

I. GENERAL DESCRIPTION.

This document is the Plan of Administration (“POA”) for the Property Tax Adjustment Mechanism (“PTAM”) for Liberty Utilities (Bella Vista Water) Corp. (“Liberty Bella Vista” or “Company”) approved by the Arizona Corporation Commission (“Commission”) in Decision No. _____ on _____, 2016. The PTAM allows Liberty Bella Vista to pass through to its customers the increase or decrease in property taxes that results from a change in the applicable assessment ratio and/or property tax rates.

II. PTAM RELATED FILINGS.

A. Within 60 days of the effective date of a change in the assessment ratio and/or property tax rates applicable to the Company, the Company shall file with Docket Control an analysis of the actual impact on the Company’s property tax expenses.

B. The Company will provide the Commission with spreadsheets detailing exactly how the Company’s property tax expenses were calculated in the time period prior to a change in the assessment ratio and/or property tax rate that affects the Company’s property tax expenses. These calculations will include the assessment ratio, the property tax rates, and the value of the property that was taxed. For the period following the change(s), the Company will provide the same information, then compare the two periods, isolating any change in property tax expense that is due exclusively to changes in the assessment ratio and/or property tax rates. The specific intent is to show exactly how much of any increase or decrease in property tax expense is due to changes in the assessment ratio and tax rates beyond the Company’s control and how much is due to changes in the value of the property the Company owns. The Company will only recover increases or refund decreases that are due to changes in the assessment ratio and tax rates.

C. All revised schedules filed with the Commission pursuant to the provisions of this PTAM will be accompanied by documentation prepared by the Company in a format approved by Utilities Division Staff of the Commission and will contain sufficient detail to enable the Commission to verify accuracy of the Company’s calculations.

D. The surcharges will not become effective until approved by the Commission.

E. The Company will file annually with the Commission a report detailing the Company’s property tax expenses.

F. The Company shall provide notice (in a form acceptable to Staff) of the rate increases to customers with the bill where the rate increase first appears.

III. APPLICATION TO WATER CUSTOMERS.

A. The increase or decrease in property tax expenses that are due to changes in the assessment ratio and/or property tax rates at the Company's water facilities will be allocated on a per capita basis.

B. See the examples on the next page:

Change in Assessment Ratio Example

Test Year	
Assessment Ratio	20.00%
Property Full Cash Value	\$10,000,000
Assessed Valuation	\$2,000,000



Current Year	
Assessment Ratio	21.00%
Property Full Cash Value	\$10,000,000
Assessed Valuation	\$2,100,000

Change in Assessed Valuation	
Current Year Assessed Valuation	\$2,100,000
Test Year Assessed Valuation	\$2,000,000
Increase in Assessed Valuation Due to Increase in Assessment Ratio	\$100,000

Test Year	
Total Property Tax Rate	10.00%
Assessed Valuation	\$2,000,000
Property Tax Expense	\$200,000

Current Year	
Total Property Tax Rate	10.00%
Assessed Valuation	\$2,100,000
Property Tax Expense	\$210,000

PTAM Charge on Sample Customer Bill	
Increase in Property Tax Expense Due to Increase in Assessment Ratio	\$10,000
Number of Water Customers	20,000
PTAM Charge on Sample Customer Bill	\$0.50

Change in Total Property Tax Rate Example

Test Year	
Total Property Tax Rate	10.00%
Assessed Valuation	\$2,000,000
Property Tax Expense	\$200,000



Current Year	
Total Property Tax Rate	11.00%
Assessed Valuation	\$2,000,000
Property Tax Expense	\$220,000

Pass Through Calculation	
Current Year Property Tax Expense	\$220,000
Test Year Property Tax Expense	\$200,000
Increase in Property Tax Expense Due to Rate Increase	\$20,000

PTAM Charge on Sample Customer Bill	
Increase in Property Tax Expense Due to Rate Increase	\$20,000
Number of Water Customers	20,000
PTAM Charge on Sample Customer Bill	\$1.00