



September 13, 2017

Advice Letter No. 329-E

("U 913 E")

## California Public Utilities Commission

Golden State Water Company (GSWC), on behalf of its Bear Valley Electric Service (BVES) Division, hereby transmits for filing an original and two conformed copies of this advice letter with the California Public Utilities Commission's (Commission) Energy Division.

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 2440-E	Preliminary Statement, Part V Base Revenue Requirement Balancing Account	Revised No. 2181-E
Revised No. 2441-E	Preliminary Statement, Part V Base Revenue Requirement Balancing Account	Revised No. 2182-E
Revised No. 2442-E	Table of Contents Page 1 of 2	Revised No. 2439-E

**SUBJECT:** *Update Preliminary Statement, Part V, Base Revenue Requirement Balancing Account, in Accordance with Decision No. ("D") 16-02-021.*

### **PURPOSE**

In compliance with Commission Decision (D.) 16-02-021, Ordering Paragraph No. 2, GSWC submits Advice Letter 329-E.

The purpose of this Advice Letter is to make effective the modifications to Preliminary Statement, Part V, Base Revenue Requirement Balancing Account (BRRBA), which were approved by the Commission in D.16-02-021.

### **BACKGROUND**

On February 16, 2012, GSWC filed General Rate Case Application No. 12-02-013 to increase rates for electric service within its service. On November 10, 2014, the Commission issued D.14-11-002, adopting the Uncontested Settlement Agreement, executed by GSWC/BVES, the Office of Ratepayer Advocates, the City of Big Bear Lake, Big Bear Area Wastewater Agency, and Snow Summit, Inc.

All parties to the First Settlement have signed on to Amendment No. 1 to Uncontested Settlement Agreement, which reflects the requests by GSWC in its Petition to Modify, as

follows: 1) extend the filing date of a new GRC application by one year to March 31, 2017; 2) establish a five-year rate cycle with a 2017 base rate revenue requirement of \$20,900,000; and 3) set a \$200,000 budget for the BVES' Energy Efficiency Program in 2017.

Modifications to D.14-11-002 were granted via D. 16-02-021. Specifically, Ordering Paragraph No. 2 in D.16-02-021 states, in part,

*c. Section 8 of D.14-11-002 is modified as follows: Unless discussed separately herein: 1) BVES shall file a Tier 1 AL within 30 days of the issuance of this decision in order to make all preliminary statements, rate and tariff changes authorized herein for 2013 and 2014; 2) BVES shall file a Tier 1 AL by December 1, 2014 in order to make all preliminary statements, rate and tariff changes authorized herein for 2015; and 3) BVES shall file a Tier 1 AL by December 1, 2015 in order to make all preliminary statements, rate and tariff changes authorized herein for 2016.; and 4) BVES shall file a Tier 1 AL by December 1, 2016 in order to make all preliminary statements rate and tariff changes authorized herein for 2017.*

*d. Conclusion of Law 10 of D.14-11-002 is modified as follows: 10. Unless discussed separately herein: 1) BVES should file a Tier 1 Advice Letter (AL) within 30 days of the issuance of this decision in order to make all preliminary statement, rate and tariff changes authorized herein for 2013 and 2014; 2) BVES should file a Tier 1 AL by December 1, 2014 in order to make all preliminary statements, rate and tariff changes authorized herein for 2015; and 3) BVES should file a Tier 1 AL by December 1, 2015 in order to make all preliminary statements, rate and tariff changes authorized herein for 2016; and 4) BVES should file a Tier 1 AL by December 1, 2016 in order to make all preliminary statements, rate and tariff changes authorized herein for 2017.*

#### **COMPLIANCE**

GSWC is filing this advice letter to update the BRRBA Preliminary Statement to reflect the addition of the 2017 Annual Revenue Requirement to Section 4 and make a minor edit to Section 8.

#### **EFFECTIVE DATE**

This advice letter is designated a Tier 1, as such, GSWC request this filing have the effective date of January 1, 2017.

No individuals or utilities have requested notification of filing of tariffs. Distribution of this Advice Letter is being made to the attached service list in accordance with General Order No. 96-B.

#### **NOTICE AND PROTESTS**

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter.

---

A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

A protest must be mailed within 20 days of the date the CPUC accepts the advice letter for filing. The Calendar is available on the CPUC's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter. The utility must respond to a protest with five days.

**All protests and responses should be sent to:**  
California Public Utilities Commission, Energy Division  
ATTN: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

Copies of any such protests should be sent to this utility at:  
Golden State Water Company  
ATTN: Nguyen Quan  
630 East Foothill Blvd.  
San Dimas, CA 91773  
Fax: 909-394-7427  
E-mail: [nquan@gswater.com](mailto:nquan@gswater.com)

If you have not received a reply to your protest within 10 business days, contact Nguyen Quan at (909) 394-3600 ext. 664.

#### **CORRESPONDENCE**

Any correspondence regarding this compliance filing should be sent by regular mail or e-mail to the attention of:

Nguyen Quan  
Manager, Regulatory Affairs  
Golden State Water Company  
630 East Foothill Blvd.  
San Dimas, California 91773

---

Email: [nquan@gswater.com](mailto:nquan@gswater.com)

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Nguyen Quan", with a long horizontal flourish extending to the right.

Nguyen Quan  
Manager, Regulatory Affairs

c: Edward Randolph, Director, CPUC – Energy Division  
James Loewen, Energy Division  
R. Mark Pocta, ORA

**PRELIMINARY STATEMENTS**

**V. BASE REVENUE REQUIREMENT BALANCING ACCOUNT**

Golden State Water Company ("GSWC") shall maintain the Base Revenue Requirement Balancing Account ("BRRBA") for its Bear Valley Electric Service ("BVES") Division as follows.

**1. PURPOSE:**

The purpose of the BRRBA is to record the difference between BVES adopted Base Revenue Requirements and the recorded revenues from base rates.

**2. APPLICABILITY**

The BRRBA shall apply to all customers base rate revenues.

**3. RATES**

Base rates are electric rates and related adjustments. Adjustments are required to amortize under-collections or over-collection in the BRRBA as authorized by the Commission from time to time.

**4. AUTHORIZED BASE RATE REVENUE REQUIREMENTS**

BVES' authorized annual base rate revenue requirements for the years 2013, 2014, 2015, and 2016 as reflected in the Settlement Agreement approved by the Commission in D. 14-11-002. In D.16-02-021 the Commission modifies D.14-11-002 by changing the rate period applicable to 2013 General Rate Case to 5 years (2013-2017) and adds a 2017 base rate revenue requirement of \$20,900,000. The annual revenue requirements are set forth below:

(T)  
(T)  
(T)

<u>Year</u>	<u>Annual Revenue Requirement</u>
2013	\$19,700,000
2014	\$20,100,000
2015	\$20,500,000
2016	\$20,900,000
2017	\$20,900,000

(T)

The authorized monthly revenue requirement shall be apportioned on a monthly basis using the following percentage allocation:

<u>Sales MWh by Month</u>	<u>Month</u>
Jan	10.77%
Feb	9.39%
Mar	8.75%
Apr	7.65%
May	7.27%
Jun	7.12%
Jul	7.51%
Aug	7.57%
Sep	7.21%
Oct	7.28%
Nov	8.53%
Dec	10.95%

(Continued)

**PRELIMINARY STATEMENTS**

Page 29 of 46

V. **BASE REVENUE REQUIREMENT BALANCING ACCOUNT (continued)**

5. **ADJUSTMENTS TO THE REVENUE REQUIREMENT**

The annual revenue requirement levels in Section 4 may be adjusted, if needed, by an update as a result of changes to BVES' allocation of GSWC's (i) General Office cost, (ii) common plant cost or (iii) employee pension and benefit costs, each as approved by the Commission in GSWC water operations application filed before the Commission, or by some other appropriate proceeding that establishes a new BVES base rate revenue requirement or an addition to the BVES base rate revenue requirement shown in Section 4. The annual revenue requirement levels in Section 4 also may be adjusted, if needed, by an update as a result of the disposition of balances in the Pension Balancing Account, or advice letter filings regarding the completion and placement into commercial operation of the (i) Big Bear Boulevard Undergrounding Project (or a phase of the Big Bear Boulevard Undergrounding Project); or (ii) the Moonridge Substation Project.

6. **TRANSFERS AND ADJUSTMENTS TO THE BRRBA BALANCE**

From time to time the Commission may find that an amortization of a base rate memorandum or balancing account it authorized has run for the required number of months but that there remains an unamortized over- or under- collected balance at the end of the amortization period. The unamortized balances for such accounts may be transferred to the balance in the BRRBA if the costs covered by the account are base rate related costs.

7. **ACCOUNTING PROCEDURES:**

GSWC shall maintain the BRRBA by making entries at the end of each month as follow:

- a. Recorded monthly base rate revenues.
- b. Apportioned monthly allocation of the authorized annual base rate revenue requirement as described in Section 4.
- c. Total net BRRBA balance: 7.a. minus 7.b.
- d. GSWC shall apply interest to the average net balance in the BRRBA account at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month as reported in the Federal Reserve Statistical Release, H.15, or its successor publication. Accumulated interest will be included in the amount on which interest is charged, but will be identified as a separate component of the BRRBA account.

8. **EFFECTIVE DATE**

As reflected in the Settlement Agreement approved by the Commission in D. 14-11-002, as modified by D.16-02-021, the revenue requirements for 2013, 2014, 2015, 2016 and 2017 are effective as of January 1, 2013, January 1, 2014, January 1, 2015, January 1, 2016 and, January 1, 2017, respectively. (T) (T)

9. **ACCOUNT DISPOSITION**

The disposition of the balance in the BRRBA at the close of each year, plus any transfers or adjustments authorized to be made to the BRRBA, will be addressed by GSWC in a Tier 2 Advice Letter filing if the amount of the under- or over-collection is equal to or greater than 5% of the revenue requirement established for the previous twelve months. Should such a trigger be met, GSWC may file the required advice letter with the necessary amortization charge expected to amortize the balance over the next twelve months.

TABLE OF CONTENTS

Page 1

The following tariff sheets contain all effective rates and rules affecting rates and service of the utility, together with information relating thereto:

<u>Subject Matter of Sheet</u>	<u>Sheet No.</u>
Title Page	1441-E
Table of Contents	2442-E, 2438-E, 2139-E (T)
Preliminary Statements	935-E, 1590-E*, 1591-E*, 2381-E*, 2382-E*, 1594-E*, 1595-E*, 1596-E*, 1597-E*, 2176-E, 2177-E 2178-E, 2179-E, 2180-E, 2365-E, 1603-E*, 1604-E*, 1605-E*, 1606-E*, 1607-E*, 1608-E*, 1609-E*, 1610-E*, 1611-E*, 1650-E 1612-E*, 2201-E, 2440-E, 2441-E, 2242-E, 1926-E, 1928-E, 1929-E, 1946-W, 2028-E, 2032-E, 2034-E, 2090-E, 2169-E, 2170-E (C) 2171-E, 2172-E, 2173-E, 2174-E, 2175-E
Tariff Area Map	1140-E
Rate Schedules:	
No. A-1 General Service	2417-E, 1836-E
No. A-2 General Service	2418-E, 1838-E
No. A-3 General Service	2419-E, 1840-E
No. A-4 General Service- TOU	2420-E, 1842-E, 1843-E
No. A-5 TOU Primary	2421-E, 1845-E, 1846-E
No. A-5 TOU Secondary	2422-E, 1848-E, 1849-E
No. D Domestic Service - Single-family Accommodation	2423-E, 1851-E, 1852-E
No. DE Domestic Service to Company Employees	2424-E, 1854-E
No. D-LI Domestic Service - CARE Rate	2425-E, 2433-E, 1857-E, 1858-E
No. DM Domestic Service - Multi-family Accommodation	2426-E, 1860-E, 1861-E
No. DMS Domestic Service - Multi-family Accommodation Sub-metered	2427-E, 2428-E, 1864-E
No. DO Domestic Service - Other	2429-E, 1866-E
No. NEM-L Net Energy Metering- Large	1931-E, 1932-W, 1933-E, 1934-E, 1935-E
No. NEM-S Net Energy Metering- Small	1936-E, 1937-E, 1938-E, 1939-E, 1940-E
No. GSD General Service Demand - Camp Oaks	2430-E, 1868-E
No. SL Street Lighting Service	2431-E, 1870-E
No. SSC Special Service Charges	2157-E, 2158-E
No. S Standby Standby Service	2159-E, 2160-E, 2161-E
No. PPC-LI Public Purpose Charge-Low Income	1613-E
No. PPC-OLI Public Purpose Charge-Other Than Low Income	1614-E
No. UF-E Surcharge to Fund PUC Utilities Reimbursement Account Fee	2399-E
Contracts and Deviations	898-E
Rules:	
No. 1 Definitions	1114-E, 1115-E, 1116-E, 1117-E, 1118-E, 1119-E, 1120-E, 1121-E 1122-E, 1123-E, 1124-E, 1125-E, 1126-E, 1127-E, 1877-E, 1129-E, 1130-E
No. 2 Description of Service	594-E, 595-E, 596-E, 597-E, 598-E, 599-E, 600-E, 601-E, 602-E, 603-E
No. 3 Application for Service	950-E, 951-E
No. 4 Contracts	604-E
No. 5 Special Information Required on Forms	605-E, 606-E, 607-E
No. 6 Establishment and Re-establishment of Credit	608-E, 1878-E
No. 7 Deposits	2162-E
No. 8 Notices	611-E
No. 9 Rendering and Payment of Bills	2163-E
No. 10 Disputed Bills	578-E, 579-E
No. 11 Discontinuance and Restoration of Service	580-E, 581-E, 582-E, 1002-E, 1971-E, 1972-E
No. 12 Rates and Optional Rates	612-E, 613-E
No. 13 Temporary Service	614-E, 615-E
No. 14 Shortage of Supply and Interruption of Delivery	616-E
No. 15 Distribution Line Extensions	2103-E, 2104-E, 2105-E, 2106-E, 2107-E, 2108-E, 2109-E, 2110-E, 2111-E 2112-E, 2113-E, 2114-E, 2115-E, 2116-E

(Continued)

**GOLDEN STATE WATER COMPANY**

**DISTRIBUTION LIST**

**BEAR VALLEY ELECTRIC DIVISION**

Agnes Roberts, Financial Analyst  
Big Bear City Community Services District  
[agnes.roberts@bbccsd.org](mailto:agnes.roberts@bbccsd.org)  
Email Only

City Clerk  
City of Big Bear Lake  
39707 Big Bear Blvd.  
P. O. Box 10000  
Big Bear Lake, CA 92315

City Attorney  
City of Big Bear Lake  
39707 Big Bear Blvd.  
P. O. Box 10000  
Big Bear Lake, CA 92315

County Clerk  
County of San Bernardino  
385 N. Arrowhead Ave., 2<sup>nd</sup> Floor  
San Bernardino, CA 92415-0140

County Counsel  
County of San Bernardino  
385 N. Arrowhead Ave., 4<sup>th</sup> Floor  
San Bernardino, CA 92415-0140

Dave Morse  
2436 Rivendell Lane  
Davis, CA 95616  
[davidmorse9@gmail.com](mailto:davidmorse9@gmail.com)

Wade Reeser, VP Operations  
Big Bear Mountain Resorts  
P.O. Box 77, 880 Summit Blvd.  
Big Bear Lake, CA 92315  
[Wreeser@Mammolhresorts.com](mailto:Wreeser@Mammolhresorts.com)

Megan Somogyi  
Goodin, MacBride, Squeri & Day, LLP  
505 Sansome Street, Suite 900  
San Francisco, CA 94111  
[MSomogy@goodinmacbride.com](mailto:MSomogy@goodinmacbride.com)

Roman Nava  
OPR Communications  
[mava@oprusa.com](mailto:mava@oprusa.com)