



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Bear Valley Electric Service, Inc (913-E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Jeff Linam

Phone #: (909) 394-3600 x664

E-mail: RegulatoryAffairs@bvesinc.com

E-mail Disposition Notice to: RegulatoryAffairs@bvesinc.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 481-E

Tier Designation: 1

Subject of AL: Vegetation Management Revenue Requirements Pursuant to PUC sec. 8386.3(d)

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 #: PUC sec. 8386.3(d)

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

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: 1/8/23

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹: see Advice Letter

Pending advice letters that revise the same tariff sheets:

¹Discuss 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

Name: Jeff Linam
Title: Regulatory Affairs Manager
Utility Name: Bear Valley Electric Service, Inc
Address: 630 E. Foothill Blvd
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 394-3600 x664
Facsimile (xxx) xxx-xxxx:
Email: RegulatoryAffairs@bvesinc.com; jeff.linam@gswater.com

Name: Alicia Menchaca
Title: Rate Analyst, Regulatory Affairs
Utility Name: Bear Valley Electric Service, Inc
Address: 630 E. Foothill Blvd
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 630-5555
Facsimile (xxx) xxx-xxxx:
Email: alicia.menchaca@bvesinc.com; regulatoryaffairs@bvesinc.com



Bear Valley Electric Service, Inc.
P.O. Box 9028
San Dimas, CA 91773-9028
A Subsidiary of American States Water Company

January 8, 2024

Advice Letter No. 481-E

(U 913 E)

California Public Utilities Commission

Bear Valley Electric Service, Inc. ("BVES") hereby transmits for filing the following:

SUBJECT: *Vegetation Management Revenue Requirements Pursuant to PUC sec. 8386.3(d)*

PURPOSE

Pursuant to Public Utilities Code 8386.3(d), BVES hereby submits this Tier 1 Advice Letter ("AL") to the California Public Utilities Commission ("Commission" or "CPUC") for information purposes only while a final decision is still pending in the BVES Test Year 2023 GRC proceeding (A.22-08-010).

BACKGROUND

In October 2019, the Legislature amended California Public Utilities Code Section 8386.3(d) through Senate Bill ("SB") 247 to, among other things, require an electrical corporation to notify the Commission by advice letter 30 days before the date when it projects that it will spend, or incur obligations to spend, its entire annual revenue requirement for vegetation management in its Wildfire Mitigation Plan ("WMP"). The statute also established qualifications for electrical line clearance tree trimmers and requires that qualified line tree trimmers be paid no less than a specified prevailing wage rate.

DISCUSSION

Although Section 8386.3(d) references an "annual revenue requirement for vegetation management in its wildfire mitigation plan," BVES does not currently have an approved annual revenue requirement for vegetation management for 2023. Rather, BVES's General Rate Case ("GRC") Decision No. ("D.") 19-08-027, authorized an annual revenue requirement for BVES's tree trimming and vegetation management program across its entire service territory for 2019 through 2022. D.19-08-027 also approved BVES's request to continue to record vegetation management costs in its Fire Hazard Prevention Memorandum Account ("FHPMA").

Subsequent to the Commission's approval of BVES's GRC decision, D.19-08-027, the Legislature enacted SB 247. Accordingly, the BVES vegetation management forecasts included in its GRC did not reflect the prevailing wage rate increases for line clearance tree trimmers that occurred as a result of the mandates in SB 247. As noted in BVES Advice

Letter 420-E, the impact of SB 247 on BVES vegetation management costs is significant. On May 19, 2021, following BVES's submission of Advice Letter 420-E, the Commission requested BVES tree trimmers' contract and hourly rates data. The data shows that average hourly rates increased by 82 percent between 2019 and 2020. These vegetation management costs are included in BVES's WMP.

Because BVES projects costs for overall vegetation management in 2023 exceeded the latest approved annual revenue requirement for 2022, out of an abundance of caution, and in the spirit of PUC section 8386.3, BVES is notifying the Commission that BVES filed its GRC application on August 30, 2022 to request, among many other matters, the recovery and amortization of vegetation management costs recorded in the FHPMA and a revenue requirement for vegetation management costs for the years 2023 through 2026.

COMPLIANCE

This advice letter requests approval in compliance with PUC Section 8386.3(d).

TIER DESIGNATION

This advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

BVES respectfully requests this advice letter becomes effective on January 8, 2024.

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 submission. The Calendar is available on the CPUC's website at 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 within five days.

All protests and responses should be sent to:

California Public Utilities Commission, Energy Division

E-mail: EDTariffUnit@cpuc.ca.gov

The protest or correspondence should also be sent via U.S. mail and/or electronically, if possible, to BVES at the addresses shown below on the same date it is delivered to the Commission.

Bear Valley Electric Service, Inc.
Regulatory Affairs Dept.
E-mail: RegulatoryAffairs@bvesinc.com

If you have not received a reply to your protest within 10 business days, please contact Jeffrey Linam at (909) 630-5555.

Correspondence:

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

Jeffrey Linam
Manager, Regulatory Affairs
Bear Valley Electric Service, Inc.
630 East Foothill Blvd.
San Dimas, California 91773
Email: RegulatoryAffairs@bvesinc.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,

/s/Alicia Menchaca
Alicia Menchaca
Rate Analyst, Regulatory Affairs

cc: Jenny Au, Energy Division
R. Mark Pocta, California Public Advocates Office
BVES General Order 96-B Service List

BEAR VALLEY ELECTRIC SERVICE, INC.

G.O. 96-B

SERVICE LIST

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