

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Bear Valley Electric Service, Inc.
ELC (Corp ID 913)
Status of Advice Letter 448E
As of August 9, 2022

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

Division Assigned: Energy

Date Filed: 07-14-2022

Date to Calendar: 07-18-2022

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	07-14-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Nguyen Quan

(909) 394-3600 X664

RegulatoryAffairs@bvesinc.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



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: Nguyen Quan

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) #: 448-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: 7/14/22

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: Nguyen Quan
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: (909) 394-7427
Email: RegulatoryAffairs@bvesinc.com; nquan@gswater.com

Name: Zeng Zhu
Title: Rate Analyst
Utility Name: Bear Valley Electric Service, Inc
Address: 630 E. Foothill Blvd
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 394-3600 x495
Facsimile (xxx) xxx-xxxx: (909) 394-7427
Email: RegulatoryAffairs@bvesinc.com; zeng.zhu@bvesinc.com



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

July 14, 2022

Advice Letter No. 448-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(d), BVES hereby submits this Tier 1 Advice Letter ("AL") to the California Public Utilities Commission ("Commission") as notification that BVES has incurred costs exceeding its authorized budget for fiscal year 2022.

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 have an approved annual revenue requirement for vegetation management in its WMP. Rather, BVES' General Rate Case ("GRC") Decision No. ("D.") 19-08-027, authorized an annual revenue requirement for BVES' tree trimming and vegetation management program across its entire service territory. D.19-08-027 also approved that BVES continued to record vegetation management costs in its Fire Hazard Prevention Memorandum Account ("FHPMA").

The Legislature also enacted SB 247 after BVES' GRC was approved by the Commission. Accordingly, the BVES vegetation management forecasts included in its GRC did not accurately 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' submission of Advice Letter 420-E, the Commission requested BVES tree trimmers contract and hourly rates data. The data show that average hourly rates increased by 82 percent between 2019 and 2020. These vegetation management costs are included in BVES' WMP.

As of December 31, 2021 vegetation management costs recorded in the FHPMA were \$5,756,981. At the end of March 2022 recorded costs were \$6,436,092 and at the end of June 2022 BVES recorded preliminary costs in the amount of \$6,973,443. From December 2021 to June 2022, costs have risen by an additional \$1,216,462. In Advice Letter 420-E, BVES noted that in D.19-08-027, the Commission agreed that \$338,793 is a reasonable amount for the vegetation management costs to include in the 2018 Base Rate Revenue Requirement, and that BVES may rely upon the \$338,793 figure as the basis to calculate incremental vegetation costs to be tracked in its FHPMA.

Because BVES projects costs for overall vegetation management exceed the approved annual revenue requirement, out of an abundance of caution, and in the spirit of PUC section 8386.3, BVES is notifying the Commission that BVES shall file 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.

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 July 14, 2022.

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

E-mail: RegulatoryAffairs@bvesinc.com

If you have not received a reply to your protest within 10 business days, please 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

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/Zeng Zhu

Zeng Zhu

Rate Analyst, Regulatory Affairs

cc: Franz Cheng, 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

AGNES ROBERTS, FINANCIAL ANALYST
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 AVENUE - 2ND FLOOR
SAN BERNARDINO, CA 92415-0140

COUNTY COUNSEL
COUNTY OF SAN BERNARDINO
385 N. ARROWHEAD AVENUE - 4TH FLOOR
SAN BERNARDINO, CA 92415-0140

HERSCHEL T. ELKINS
ASST ATTORNEY GENERAL
OFFICE OF THE ATTORNEY GENERAL
STATE OF CALIFORNIA
300 SOUTH SPRING STREET
LOS ANGELES, CA 90013

ERIC JANSSEN
ELLISON, SCHNEIDER & HARRIS LLP
2600 CAPITOL AVE., STE. 400
SACRAMENTO, CA 95816-5905
ERICJ@ESLAWFIRM.COM

WADE REESER, VP, OPERATIONS
BIG BEAR MOUNTAIN RESORTS
P.O. BOX 77, 880 SUMMIT BLVD.
BIG BEAR LAKE CA 92315
WREESER@MAMMOTHRESORTS.COM

PETER EICHLER
LIBERTY UTILITIES
2865 BRISTOL CIRCLE
OAKVILLE, ONTARIO L6H 7H7
PETER.EICHLER@LIBERTYUTILITIES.COM

MIKE LONG
CALIFORNIA PACIFIC ELECTRIC CO., LLC
933 ELOISE AVENUE
SOUTH LAKE TAHOE, CA 96150
MIKE.LONG@LIBERTY-ENERGY.COM

RANDLE COMMUNICATIONS
500 CAPITOL MALL, SUITE 1950
SACRAMENTO, CA 95814
MCARDONA@RANDLECOMMUNICATIONS.COM
MGAZDA@RANDLECOMMUNICATIONS.COM

MEGAN SOMOGYI
GOODIN, MACBRIDE, SQUERI & DAY, LLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
MSOMOGY@GOODINMACBRIDE.COM

FRED YANNEY, YANNEY LAW OFFICE
17409 MARQUARDT AVENUE, UNIT C-4
CERRITOS, CA 90703
FREDYANNEY@GMAIL.COM

BRENT TREGASKIS
BEAR MOUNTAIN RESORT
P O BOX 77
BIG BEAR LAKE, CA 92315

SOUTHERN CALIFORNIA EDISON CO.
P. O. BOX 800
ROSEMEAD, CA 91770

PATRICK O'REILLY
OPR COMMUNICATIONS
19318 JESSE LANE, SUITE 200
RIVERSIDE, CA 92508
POREILLY@OPRUSA.COM

ARLENE HERRERA
OPR COMMUNICATIONS
19318 JESSE LANE, SUITE 200
RIVERSIDE, CA 92508
AHERRERA@OPRUSA.COM

NAVAL FACILITIES ENGINEERING COMMAND
REA. D. ESTRELLA
SOUTHWEST DIVISIONM
1220 PACIFIC HIGHWAY
SAN DIEGO, CA 92132
REA.ESTRELLA@NAVY.MIL

LIBERTY UTILITIES
9750 WASHBURN ROAD
DOWNEY, CA 90241
AdviceLetterService@libertyutilities.com