

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



**Golden State Water Company**  
**ELC (Corp ID 913)**  
**Status of Advice Letter 392E**  
**As of July 13, 2020**

Subject: Update to BVES Standby Rate in Compliance with Decision No. 19-08-027

Division Assigned: Energy

Date Filed: 06-11-2020

Date to Calendar: 06-19-2020

Authorizing Documents: D1908027

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>06-30-2020</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Nguyen Quan

909-394-3600 X664

[nquan@gswater.com](mailto:nquan@gswater.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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto: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 (913-E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Nguyen Quan

Phone #: (909) 394-3600 x664

E-mail: nquan@gswater.com

E-mail Disposition Notice to: nquan@gswater.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 392-E

Tier Designation: 1

Subject of AL: Update to BVES Standby Rate in Compliance with Decision No. 19-08-027

Keywords (choose from CPUC listing): Compliance, GRC, Standby Service, Tariffs, Refunds

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision No. 19-08-027

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: N/A

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: 6/30/20

No. of tariff sheets: 2

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: Schedule No. S, Table of Content.

Service affected and changes proposed<sup>1</sup>: See Advice Letter

Pending advice letters that revise the same tariff sheets: None

<sup>1</sup>Discuss 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](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Nguyen Quan  
Title: Regulatory Affairs Manager  
Utility Name: Bear Valley Electric Service  
Address: 630 E. Foothill Blvd.  
City: San Dimas State: California  
Telephone (xxx) xxx-xxxx: (909) 394-3600 x 664  
Facsimile (xxx) xxx-xxxx: (909) 394-7427  
Email: [nquan@gswater.com](mailto:nquan@gswater.com)

Name: Zeng Zhu  
Title: Rate Analyst  
Utility Name: Bear Valley Electric Service  
Address: 630 E. Foothill Blvd.  
City: San Dimas State: California  
Telephone (xxx) xxx-xxxx: (909) 394-3600 x 495  
Facsimile (xxx) xxx-xxxx: (909) 394-7427  
Email: [ZENG.ZHU@gswater.com](mailto:ZENG.ZHU@gswater.com)



June 11, 2020

Advice Letter No. 392-E

(U 913 E)

## California Public Utilities Commission

Golden State Water Company ("GSWC") hereby transmits for filing an original and two copies of the following applicable to its Bear Valley Electric Service ("BVES") Division:

**SUBJECT:** Update to BVES Standby Rate in Compliance with Decision No. 19-08-027.

### PURPOSE

The purpose of this advice letter ("AL") is to modify and update BVES Schedule No. S to be consistent with provisions of Settlement Agreement ("Settlement") adopted in Decision No. ("D.") 19-08-027. Additionally, BVES seeks authority to refund overcharges to its impacted customer.

This advice letter is in compliance with D.19-08-027.

### BACKGROUND

In D.19-08-027, the California Public Utilities Commission ("Commission" or "CPUC") adopted Settlement Agreement for BVES General Rate Case Application No. ("A.") 17-05-004. In Section 9.2 of the Settlement, the parties agreed to the revenue requirements for 2018 through 2022<sup>1</sup>. Tables in Section 9.2 set forth the revenue requirements for all customer classes, including customer class A5-TOU Secondary. The Big Bear Area Regional Wastewater Agency ("BBARWA") is the only customer in the A5-TOU Secondary customer class. The revenue requirements for the A5-TOU Secondary class are \$27,835, \$28,823, \$29,811, \$30,716, and \$31,539 for the years 2018 through 2022, respectively.

BVES found that BBARWA is being charged an amount inconsistent with the revenue requirement assigned to it in the Settlement. On June 09, 2020 BVES notified the Energy Division ("ED") by letter of the inconsistency and outlined its plan to remedy the issue via a Tier 1 advice letter filing. On June 11, 2020, Energy Division authorized BVES to proceed with the filing.

BVES letter to Energy Division is made available as Attachment A.

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<sup>1</sup> D.19-08-027 Settlement Agreement Section 9.2 Table 16 and Table 17.

**SCHEDULE NO. S**

BBARWA is assessed four charges: A Service Charge, a Minimum Charge, a Transmission Standby Charge, and a Generation Standby Charge. Each charge was assigned a rate. Combined, the four charges/rates were set in aggregate amount to equal BBARWA’s annual revenue requirement.

BVES filed AL 368-E (to implement 2019 rates) and AL 375-E (to implement 2020 rates) to comply with D.19-08-027. BVES did not include BBARWA’s Transmission Standby Charge and its Generation Standby Charge in either of those advice letter filings. Accordingly, the rates for those two charges have not been adjusted downward to reflect the new BBARWA annual revenue requirement agreed to in the Settlement and approved by the Commission. The rates for those two standby charges remain at 2016 rates, which are above the rates contemplated in the Settlement and are the cause of the overcharges to BBARWA.

BVES proposes to update the Transmission Standby and Generation Standby Charge rates for the remainder of 2020.

	Transmission Standby	Generation Standby
2020 - Current	\$0.75000	\$0.75000
2020 - Proposed	\$0.32480	\$0.32480

Subsequent advice letters seeking authority to charge rates approved in the Settlement for the years 2021 and 2022 would similarly include the four charges to BBARWA at rates sufficient to collect the annual revenue requirements for those years as agreed to in the Settlement.

**REFUND OF OVERCHARGES**

Table B below sets forth a comparison of what BBARWA was actually charged and what BBARWA should have been charged as agreed to in the Settlement and authorized by D.19-08-027 (currently as of 06/11/2020). BVES would seek promptly refund all overcharges assessed to BBARWA until the rates have been corrected.

Year	Bill Period		Billed Amounts	Correct Amount	Change	% Change
2019	9/21/2019	10/20/2019	\$3,979.63	\$3,267.20	(\$712.43)	-17.90%
2019	10/21/2019	11/20/2019	\$3,444.79	\$2,427.03	(\$1,017.76)	-29.54%
2019	11/21/2019	12/20/2019	\$3,401.76	\$2,383.99	(\$1,017.77)	-29.92%
2020	12/21/2019	1/20/2020	\$3,444.79	\$2,480.14	(\$964.65)	-28.00%
2020	1/21/2020	2/20/2020	\$3,444.79	\$2,509.35	(\$935.44)	-27.16%
2020	2/21/2020	3/20/2020	\$3,358.72	\$2,423.28	(\$935.44)	-27.85%
2020	3/21/2020	4/20/2020	\$3,444.79	\$2,509.35	(\$935.37)	-27.15%
2020	4/21/2020	5/20/2020	\$3,401.76	\$2,466.32	(\$935.44)	-27.50%
YTD Total			\$27,920.96	\$20,466.66	(\$7,454.30)	-26.70%

**COMPLIANCE**

The filing of this Advice Letter by BVES is in compliance with Commission D.19-08-027. BVES's proposal will result in BBARWA being charged rates that will equal the agreed-upon annual revenue requirement set forth in the Settlement adopted in D.19-08-027.

**ATTACHMENT**

Attachment A: Standby Fee Letter to Franz Cheng ED June 9 2020.

**TIER DESIGNATION**

This advice letter is submitted with a Tier 1 designation.

**EFFECTIVE DATE**

BVES respectfully requests this advice letter become effective on June 30, 2020.

**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 within 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,

/s/Zeng Zhu  
Zeng Zhu  
Rate Analyst, Regulatory Affairs/Energy Resource

cc: Edward Randolph, Director, Energy Division  
Franz Cheng, Energy Division  
R. Mark Pocta, California Public Advocates Office  
BVES General Order 96-B Service List



<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
2831-E	Schedule "S" Standby "BACKUP" OR STANDBY SERVICE WHEN ON-SITE GENERATION IS UNAVAILABLE Sheet 1	2159-E
2832-E	Table of Contents Sheet 1	2830-E

Schedule "S" Standby  
"BACKUP" OR STANDBY SERVICE WHEN ON-SITE GENERATION IS  
UNAVAILABLE

**APPLICABILITY**

Applicable to customers taking service under Schedule A-4 TOU and A5-TOU secondary (the customer's Otherwise Applicable Rate "OAT"), where a part or all of the electrical requirements of the customer can be supplied from a generating facility located on the customer's premises. The service provided on this Rate Schedule is for backup or breakdown service when the customer's generation is unavailable for any reason. A generating facility may be connected for: (1) parallel operation with the service of BVES; or (2) isolated operation with standby or breakdown service provided by BVES by means of a double throw switch. Solar Customers who are taking service under the Utility's Net Energy Metering tariff are exempt from standby charges. Non solar customers taking service under BVES Net Energy Metering schedules may be exempt from standby charges pursuant to PU Code Section 2827. See Special Condition #1 "Exemptions".

**TERRITORY**

Within the entire territory served by BVES.

**OVERVIEW OF RATES**

Backup Service is applicable when customers request BVES to provide service during outages (for any reason) of the customer's generating facility. BVES is not providing "maintenance service" at this time. Except as provided under this Schedule, the charges, terms and conditions of the customer's OAT shall apply.

**CHARGES FOR BACKUP SERVICE**

**DEMAND CHARGES**

<u>Demand (\$/KW)</u>	<u>Distribution</u>	<u>Transmission</u>	<u>Generation</u>	<u>Total</u>
A-4 TOU	Minimum charge in A-4 TOU partially covers distribution	\$2.50/KW-month	\$8.00/KW-month	\$10.50/KW-month
A-5 TOU Secondary	Minimum charge in A-5 TOU secondary partially covers distribution	\$0.32480/KW-month	\$0.32480/KW-month	\$0.64960/KW-month
A-5 TOU Primary	NA	NA	NA	NA

(I)

\*Note: There is a distribution minimum charge included in the A-4 TOU and A-5 TOU tariffs although they only partially cover the distribution costs and are not a standby charge since they are based on the contract demand.

N/A = Not Available at this time

**STANDBY BILLING DEMAND (KW) CALCULATIONS**

The Standby Demand (kW) used for determining the Demand Charge under this Schedule is based on the difference between the customer's OAT Demand as recorded by the meter used for their OAT and its Generator Demand as determined by one of the two options below.

- a. Customers receiving service under this Schedule shall have the kW demand for each 15-minute interval in the applicable time period and season of the billing period determined under one of the two methods below:
  1. For customers who do not have Net-Generation-Output (NGO) interval metering to record the kW output of the generation facility, the demand shall be the difference between the nameplate rating of the customer's onsite generation known as the Customer Generator Nameplate (CGN) (see Definitions) and the larger of either their metered Maximum On-peak or metered Maximum Mid-Peak Demand (kW) provided by their OAT meter. In this case, the Standby Charge is computed each month as follows:

(Continued)

Advice Letter No. 392-E  
 Decision No. 19-08-027

*Issued By*  
**R. J. Sprowls**  
*President*

Date Filed June 11, 2020  
 Effective June 30, 2020  
 Resolution No. \_\_\_\_\_

Table of Contents

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	2832-E, 2829-E, 2793-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, 2751-E, 2179-E, 2180-E, 2602-E, 2603-E*, 1604-E*, 1605-E*, 1606-E*, 1611-E*, 1650-E, 2201-E, 2715-E, 2716-E, 2717-E, 1928-E, 1929-E, 1946-W, 2028-E, 2032-E, 2034-E, 2817-E, 2818-E, 2483-E, 2484-E, 2485-E, 2486-E, 2487-E, 2174-E, 2175-E, 2443-E, 2444-E, 2463-E, 2554-E, 2565-E, 2768-E, 2612-E, 2633-E, 2651-E, 2653-E, 2662-E, 2718-E, 2800-E (P)
Tariff Area Map	1140-E
<b>Rate Schedules:</b>	
No. A-1 General Service	2802-E, 1836-E
No. A-2 General Service	2803-E, 1838-E
No. A-3 General Service	2804-E, 1840-E
No. A-4 General Service- TOU	2805-E, 1842-E, 1843-E
No. A-5 TOU Primary	2806-E, 1845-E, 1846-E
No. A-5 TOU Secondary	2807-E, 1848-E, 1849-E
No. D Domestic Service - Single-family Accommodation	2808-E, 1851-E, 1852-E
No. DE Domestic Service to Company Employees	2809-E, 1854-E
No. DLI Domestic Service - CARE Rate	2810-E, 2795-E, 1857-E, 1858-E
No. DM Domestic Service - Multi-family Accommodation	2811-E, 1860-E, 1861-E
No. DMS Domestic Service -Multi-family Accommodation Sub-metered	2812-E, 2745-E, 1864-E
No. DO Domestic Service - Other	2813-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	2814-E, 1868-E
No. SL Street Lighting Service	2815-E, 2709-E
No. SSC Special Service Charges	2710-E, 2711-E
No. S Standby Standby Service	2831-E, 2160-E, 2161-E (R)
No. SMO Smart Meter Opt-Out Residential Service	2445-E
No. PPC-LI Public Purpose Charge - Low Income	2749-E
No. PPC-OLI Public Purpose Charge - Other Than Low Income	2750-E
No. UF-E Surcharge to Fund PUC Utilities Reimbursement Account Fee	2649-E
No. TOU-EV-1 General Service Time of Use Electric Vehicle Charging	2605-E, 2606-E
No. TOU-EV-2 General Service Time of Use Electric Vehicle Charging	2607-E, 2608-E
No. TOU-EV-3 General Service Time of Use Electric Vehicle Charging	2609-E, 2610-E
No. DGS Distributed Generation Service Program	2788-E, 2789-E, 2790-E
Contracts and Deviations	888-E
<b>Rules:</b>	
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	2556-E, 2557-E, 2558-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	2559-E, 2560-E
No. 11 - Discontinuance and Restoration of Service	580-E, 581-E, 582-E, 1002-E, 2511-E, 2512-E, 2513-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)

Advice Letter No. 392-E  
Decision No. 19-08-027

*Issued By*  
**R. J. Sprowls**  
*President*

Date Filed June 11, 2020  
Effective June 30, 2020  
Resolution No. \_\_\_\_\_

# **ATTACHMENT A**

**Standby Fee Letter to Franz Cheng ED June 9 2020**



June 9, 2020

Franz Cheng  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Dear Mr. Cheng:

In implementing the provisions of a Settlement Agreement (“Settlement”) in BVES’s most recent General Rate Case (“GRC”)<sup>1</sup>, which was approved by the Commission in D.19-08-027, Bear Valley Electric Service (“BVES”) has identified an inconsistency. A single, industrial customer, the Big Bear Area Regional Wastewater Agency (“BBARWA”), is being charged an amount inconsistent with the revenue requirement assigned to it in the Settlement. BVES seeks authority to file an advice letter to promptly refund all overcharges to BBARWA and modify its rates to be consistent with the provisions of the Settlement and D.19-08-027.

The signatories to the Settlement are BBARWA, the Public Advocates Office (“CalPA”), the City of Big Bear (“City”) and BVES. BBARWA supports the proposed refund and modification of rates. CalPA has been consulted and does not object to Bear Valley’s proposed solution. The City has also been consulted and is still reviewing. Set forth below are facts which outline how BBARWA rates are inconsistent the Settlement and D.19-08-027, and how the proposed solution properly rectifies this inconsistency.

In Section 9.2 of the Settlement, the parties agreed to the revenue requirements shown in Table 16 and Table 17, copies of which are provided below for your convenience. Those tables set forth the revenue requirements for all customer classes, including customer class A5-TOU Secondary. BBARWA is the only customer in the A5-TOU Secondary customer class. The revenue requirements for the A5-TOU Secondary class are \$27,835, \$28,823, \$29,811, \$30,716, and \$31,539 for the years 2018 through 2022, respectively.

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<sup>1</sup> Application 17-05-004.

Table 16

Customer Class	2018 Revenue Recovery @ Present Rates	Proposed 2018 Revenue Requirement	Proposed Settlement Allocation of Change in Revenue Requirement	2018 Revenue Allocation based on Settlement	% Change from Revenues at Present Rates
Perm Residential	\$10,548,793		(\$1,110,724)	\$9,438,069	-10.53%
Seas Residential	\$13,452,891		(\$1,419,399)	\$12,033,491	-10.55%
<b>Total Residential</b>	<b>\$24,001,684</b>		<b>(\$2,530,124)</b>	<b>\$21,471,560</b>	<b>-10.54%</b>
A-1	\$4,678,748		(\$521,557)	\$4,157,191	-11.15%
A-2	\$2,757,352		(\$364,580)	\$2,392,772	-13.22%
A-3 (including GSD)	\$4,094,007		(\$954,423)	\$3,139,584	-23.31%
A4-TOU	\$1,134,271		(\$118,298)	\$1,015,973	-10.43%
<b>Total Commercial</b>	<b>\$12,664,378</b>		<b>(\$1,958,857)</b>	<b>\$10,705,521</b>	<b>-15.47%</b>
A-5 TOU Sec	\$64,265		(\$36,430)	\$27,835	-56.69%
A-5 TOU Pri	\$2,136,790		(\$607,665)	\$1,529,125	-28.44%
<b>Total Industrial</b>	<b>\$2,201,055</b>		<b>(\$644,095)</b>	<b>\$1,556,960</b>	<b>-29.26%</b>
Streetlights	\$84,161		(\$5,923)	\$78,238	-7.04%
<b>Total</b>	<b>\$38,951,277</b>	<b>\$33,812,278.37</b>	<b>(\$5,138,999)</b>	<b>\$33,812,278</b>	<b>-13.19%</b>

Table 17

Customer Class	2018 Revenue Allocation	Proposed 2019 Revenue Requirement Increase	SAP	SAP Allocation of 2019 Revenue Increase	2019 Revenue Allocation	Annual % Change in Revenue Allocation
Perm Residential	\$9,438,069		3.55%	\$ 334,958	\$ 9,773,027	3.55%
Seas Residential	\$12,033,491		3.55%	\$ 427,069	\$ 12,460,561	3.55%
<b>Total Residential</b>	<b>\$21,471,560</b>		<b>3.55%</b>	<b>\$ 762,027</b>	<b>\$ 22,233,587</b>	<b>3.55%</b>
A-1	\$4,157,191		3.55%	\$ 147,539	\$ 4,304,730	3.55%
A-2	\$2,392,772		3.55%	\$ 84,920	\$ 2,477,692	3.55%
A-3 (including GSD)	\$3,139,584		3.55%	\$ 111,424	\$ 3,251,008	3.55%
A4-TOU	\$1,015,973		3.55%	\$ 36,057	\$ 1,052,030	3.55%
<b>Total Commercial</b>	<b>\$10,705,521</b>		<b>3.55%</b>	<b>\$ 379,940</b>	<b>\$ 11,085,460</b>	<b>3.55%</b>
A-5 TOU Sec	\$27,835		3.55%	\$ 988	\$ 28,823	3.55%
A-5 TOU Pri	\$1,529,125		3.55%	\$ 54,269	\$ 1,583,394	3.55%
<b>Total Industrial</b>	<b>\$1,556,960</b>		<b>3.55%</b>	<b>\$ 55,257</b>	<b>\$ 1,612,216</b>	<b>3.55%</b>
Streetlights	\$78,238		3.55%	\$ 2,777	\$ 81,015	3.55%
<b>Total</b>	<b>\$33,812,278</b>	<b>\$ 1,200,000</b>	<b>3.55%</b>	<b>\$1,200,000</b>	<b>\$35,012,278</b>	<b>3.55%</b>

  

Customer Class	2019 Revenue Allocation	Proposed 2020 Revenue Requirement Increase	Allocation Factors based on SAP	Allocation of 2020 Revenue Increase	2020 Revenue Allocation	Annual % Change in Revenue Allocation
Perm Residential	\$ 9,773,027		3.43%	\$ 334,958	\$ 10,107,984	3.43%
Seas Residential	\$ 12,460,561		3.43%	\$ 427,069	\$ 12,887,630	3.43%
<b>Total Residential</b>	<b>\$ 22,233,587</b>		<b>3.43%</b>	<b>\$ 762,027</b>	<b>\$ 22,995,614</b>	<b>3.43%</b>
A-1	\$ 4,304,730		3.43%	\$ 147,539	\$ 4,452,269	3.43%
A-2	\$ 2,477,692		3.43%	\$ 84,920	\$ 2,562,611	3.43%
A-3 (including GSD)	\$ 3,251,008		3.43%	\$ 111,424	\$ 3,362,432	3.43%
A4-TOU	\$ 1,052,030		3.43%	\$ 36,057	\$ 1,088,087	3.43%
<b>Total Commercial</b>	<b>\$ 11,085,460</b>		<b>3.43%</b>	<b>\$ 379,940</b>	<b>\$ 11,465,400</b>	<b>3.43%</b>
A-5 TOU Sec	\$ 28,823		3.43%	\$ 988	\$ 29,811	3.43%
A-5 TOU Pri	\$ 1,583,394		3.43%	\$ 54,269	\$ 1,637,663	3.43%
<b>Total Industrial</b>	<b>\$ 1,612,216</b>		<b>3.43%</b>	<b>\$ 55,257</b>	<b>\$ 1,667,473</b>	<b>3.43%</b>
Streetlights	\$ 81,015		3.43%	\$ 2,777	\$ 83,791	3.43%
<b>Total</b>	<b>\$ 35,012,278</b>	<b>\$ 1,200,000</b>	<b>3.43%</b>	<b>\$1,200,000</b>	<b>\$36,212,278</b>	<b>3.43%</b>

Customer Class	2020 Revenue Allocation	Proposed 2021 Revenue Requirement Increase	Allocation Factors based on SAP	Allocation of 2021 Revenue Increase	2021 Revenue Allocation	Annual % Change in Revenue Allocation
Perm Residential	\$ 10,107,984		3.04%	\$ 307,045	\$ 10,415,029	3.04%
Seas Residential	\$ 12,887,630		3.04%	\$ 391,480	\$ 13,279,110	3.04%
<b>Total Residential</b>	<b>\$ 22,995,614</b>		<b>3.04%</b>	<b>\$ 698,525</b>	<b>\$ 23,694,139</b>	<b>3.04%</b>
A-1	\$ 4,452,769		3.04%	\$ 135,244	\$ 4,587,514	3.04%
A-2	\$ 2,562,611		3.04%	\$ 77,843	\$ 2,640,454	3.04%
A-3 (including GSD)	\$ 3,362,432		3.04%	\$ 102,139	\$ 3,464,571	3.04%
A4-TOU	\$ 1,088,087		3.04%	\$ 33,052	\$ 1,121,139	3.04%
<b>Total Commercial</b>	<b>\$ 11,465,400</b>		<b>3.04%</b>	<b>\$ 348,278</b>	<b>\$ 11,813,678</b>	<b>3.04%</b>
A-5 TOU Sec	\$ 29,811		3.04%	\$ 906	\$ 30,716	3.04%
A-5 TOU Pri	\$ 1,637,663		3.04%	\$ 49,746	\$ 1,687,409	3.04%
<b>Total Industrial</b>	<b>\$ 1,667,473</b>		<b>3.04%</b>	<b>\$ 50,652</b>	<b>\$ 1,718,125</b>	<b>3.04%</b>
Streetlights	\$ 83,791		3.04%	\$ 2,545	\$ 86,336	3.04%
<b>Total</b>	<b>\$ 36,212,278</b>	<b>\$ 1,100,000</b>	<b>3.04%</b>	<b>\$1,100,000</b>	<b>\$37,312,278</b>	<b>3.04%</b>

  

Customer Class	2021 Revenue Allocation	Proposed 2022 Revenue Requirement Increase	Allocation Factors based on SAP	Allocation of 2022 Revenue Increase	2022 Revenue Allocation	Annual % Change in Revenue Allocation
Perm Residential	\$ 10,415,029		2.68%	\$ 779,131	\$ 10,694,160	2.68%
Seas Residential	\$ 13,279,110		2.68%	\$ 355,891	\$ 13,635,002	2.68%
<b>Total Residential</b>	<b>\$ 23,694,139</b>		<b>2.68%</b>	<b>\$ 635,023</b>	<b>\$ 24,329,162</b>	<b>2.68%</b>
A-1	\$ 4,587,514		2.68%	\$ 122,949	\$ 4,710,463	2.68%
A-2	\$ 2,640,454		2.68%	\$ 70,766	\$ 2,711,221	2.68%
A-3 (including GSD)	\$ 3,464,571		2.68%	\$ 92,853	\$ 3,557,424	2.68%
A4-TOU	\$ 1,121,139		2.68%	\$ 30,047	\$ 1,151,186	2.68%
<b>Total Commercial</b>	<b>\$ 11,813,678</b>		<b>2.68%</b>	<b>\$ 316,616</b>	<b>\$ 12,130,294</b>	<b>2.68%</b>
A-5 TOU Sec	\$ 30,716		2.68%	\$ 823	\$ 31,539	2.68%
A-5 TOU Pri	\$ 1,687,409		2.68%	\$ 45,274	\$ 1,732,683	2.68%
<b>Total Industrial</b>	<b>\$ 1,718,125</b>		<b>2.68%</b>	<b>\$ 46,047</b>	<b>\$ 1,764,172</b>	<b>2.68%</b>
Streetlights	\$ 86,336		2.68%	\$ 2,314	\$ 88,650	2.68%
<b>Total</b>	<b>\$ 37,312,278</b>	<b>\$ 1,000,000</b>	<b>2.68%</b>	<b>\$1,000,000</b>	<b>\$38,312,278</b>	<b>2.68%</b>

The testimony in the GRC record clearly shows that BBARWA would be assessed four charges: a Service Charge, a Minimum Charge, a Transmission Standby Charge, and a Generation Standby Charge. Each charge was assigned a rate. Combined, the four charges/rates were set in aggregate amount to equal BBARWA’s annual revenue requirement.

In the Settlement, Exhibit L was intended to identify all rates and charges agreed to in the Settlement. Inadvertently, Exhibit L identified only two of the four BBARWA charges – the Service Charge, and Minimum Charge. The Transmission Standby Charge, and the Generation Standby Charge were inadvertently omitted from Exhibit L of the Settlement. Exhibit L of the Settlement show BBARWA rates that appear on BVES tariff Schedule A5 Secondary. Transmission Standby Charge and the Generation Standby Charge rates do not appear on tariff Schedule A5 Secondary. Instead, the two charges appear only on BVES tariff Schedule S. The overall annual revenue requirement for BBARWA remained unchanged. Without including these two standby charges at the appropriate rates, the agreed upon, and authorized, annual revenue requirement for BBARWA cannot be achieved.

Ordering Paragraph No. 4 of D.19-08-027 directed BVES to file a Tier 1 Advice Letter (“AL”) to revise tariffs in accordance with the terms set forth in the Settlement, including specifically Exhibit L (entitled 2018 Retail Rates). BVES filed AL 368-E (2019 rates) and AL 375-

E (2020 rates) to comply with the Commission’s order. BVES did not include BBARWA’s Transmission Standby Charge and its Generation Standby Charge in either of those advice letter filings. Accordingly, the rates for those two charges have not been adjusted downward to reflect the new BBARWA annual revenue requirement agreed to in the Settlement and approved by the Commission. The rates for those two standby charges remain at 2016 rates, which are above the rates contemplated in the Settlement and are the cause of the overcharges to BBARWA.

Table 1 below sets forth a comparison of what BBARWA was actually charged and what BBARWA should have been charged as agreed to in the Settlement and authorized by D.19-08-027.

<b>Table 1.</b>						
<b>Estimated overpayment by BBARWA</b>						
As of 5/12/2020						
Year	Bill Period		BBARWA Billed Amounts	Correct Amount	Change	% Change
2019	9/21/2019	10/20/2019	\$3,979.63	\$3,267.20	(\$712.43)	-17.90%
2019	10/21/2019	11/20/2019	\$3,444.79	\$2,427.03	(\$1,017.76)	-29.54%
2019	11/21/2019	12/20/2019	\$3,401.76	\$2,383.99	(\$1,017.77)	-29.92%
2020	12/21/2019	1/20/2020	\$3,444.79	\$2,480.14	(\$964.65)	-28.00%
2020	1/21/2020	2/20/2020	\$3,444.79	\$2,509.35	(\$935.44)	-27.16%
2020	2/21/2020	3/20/2020	\$3,358.72	\$2,423.28	(\$935.44)	-27.85%
2020	3/21/2020	4/20/2020	\$3,444.72	\$2,509.35	(\$935.37)	-27.15%
YTD Total			\$24,519.20	\$18,000.34	(\$6,518.86)	

BVES proposes the following to address these overcharges and achieve the revenue requirement for BBARWA that was agreed to in the Settlement and approved by the Commission in D.19-08-027.

In a Tier 1 Advice Letter, BVES would propose to take two actions. First, BVES would seek authority to promptly refund the most recent up-to-date overcharges (currently, \$6,518.86) to the customer. And second, BVES would seek authority to modify the Transmission Standby Charge rate and Generation Standby Charge rate – found on tariff Schedule S – such that, combined with the fixed Service Charge rates and Minimum Charge rates set forth in Exhibit L of the Settlement, the annual revenue requirement agreed to in the Settlement will be achieved for 2020. Subsequent advice letters seeking authority to charge rates approved in the Settlement for the years 2021 and 2022 would similarly include the four charges to BBARWA at rates sufficient to collect the annual revenue requirements for those years as agreed to in the Settlement.

Table 2 sets forth the rates for the Service Charge and Minimum Charge currently being assessed. The rates for the Service Charge and Minimum Charge will remain unchanged, as provided in Exhibit L of Settlement, for the years 2021 and 2022.



<b>Table 2.</b>		
<b>Service Charge and Minimum Charge Rates</b>		
	Service Charge	Min Charge
Current	\$43.03320	\$0.40560
2021	\$43.03320	\$0.40560
2022	\$43.03320	\$0.40560

Table 3 sets forth the rates for Transmission Standby Charge and the Generation Standby Charge currently being assessed, and the proposed rates required in order to meet the agreed-upon revenue requirements set forth in the Settlement, and approved in D.19-08-027 for the years 2020, 2021, and 2022.

<b>Table 3.</b>		
<b>Transmission Standby Charge, and Generation Standby Charge Rates</b>		
	Transmission Standby	Generation Standby
2020 --Current	\$0.75000	\$0.75000
2020 - Proposed	\$0.32480	\$0.32480
2021 - Proposed	\$0.35908	\$0.35908
2022 - Proposed	\$0.39026	\$0.39026

Without the proposed changes in rates for the Transmission Standby Charge and Generation Standby Charge set forth above, the revenue requirements for BBARWA agreed to in the Settlement Agreement and approved by the Commission in D.19-08-027 will not be achieved. BBARWA will continue to be overcharged.

In sum, BVES's proposal will result in BBARWA being charged rates that will equal the agreed-upon annual revenue requirement set forth in the Settlement, as well as the rates specifically set forth for the Service Charge and the Minimum Charge in Exhibit L of the Settlement, all of which is consistent with, and effectuates, the terms of the Settlement as approved in D.19-08-027.

BVES respectfully requests the Energy Division to approve the proposed approach set forth above.

Please do not hesitate to contact Zeng Zhu ([zeng.zhu@gswater.com](mailto:zeng.zhu@gswater.com)) regarding this matter if you have any questions or require additional information.

Sincerely,

*Nguyen Quan*

Nguyen Quan

Manager Regulatory Affairs

**GOLDEN STATE WATER COMPANY**

**G.O. 96-B**  
**SERVICE LIST**

**BEAR VALLEY ELECTRIC SERVICE DIVISION**

AGNES ROBERTS, FINANCIAL ANALYST  
[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 AVENUE - 2<sup>ND</sup> FLOOR  
SAN BERNARDINO, CA 92415-0140

COUNTY COUNSEL  
COUNTY OF SAN BERNARDINO  
385 N. ARROWHEAD AVENUE - 4<sup>TH</sup> 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](mailto: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](mailto:WREESER@MAMMOTHRESORTS.COM)

PETER EICHLER  
LIBERTY UTILITIES  
2865 BRISTOL CIRCLE  
OAKVILLE, ONTARIO L6H 7H7  
[PETER.EICHLER@LIBERTYUTILITIES.COM](mailto:PETER.EICHLER@LIBERTYUTILITIES.COM)

MIKE LONG  
CALIFORNIA PACIFIC ELECTRIC CO., LLC  
933 ELOISE AVENUE  
SOUTH LAKE TAHOE, CA 96150  
[MIKE.LONG@LIBERTY-ENERGY.COM](mailto:MIKE.LONG@LIBERTY-ENERGY.COM)

RANDLE COMMUNICATIONS  
500 CAPITOL MALL, SUITE 1950  
SACRAMENTO, CA 95814  
[MCARDONA@RANDLECOMMUNICATIONS.COM](mailto:MCARDONA@RANDLECOMMUNICATIONS.COM)  
[MGAZDA@RANDLECOMMUNICATIONS.COM](mailto:MGAZDA@RANDLECOMMUNICATIONS.COM)

MEGAN SOMOGYI  
GOODIN, MACBRIDE, SQUERI & DAY, LLP  
505 SANSOME STREET, SUITE 900  
SAN FRANCISCO, CA 94111  
[MSOMOGY@GOODINMACBRIDE.COM](mailto:MSOMOGY@GOODINMACBRIDE.COM)

FRED YANNEY, YANNEY LAW OFFICE  
17409 MARQUARDT AVENUE, UNIT C-4  
CERRITOS, CA 90703  
[FREDYANNEY@GMAIL.COM](mailto: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](mailto:POREILLY@OPRUSA.COM)

ARLENE HERRERA  
OPR COMMUNICATIONS  
19318 JESSE LANE, SUITE 200  
RIVERSIDE, CA 92508  
[AHERRERA@OPRUSA.COM](mailto:AHERRERA@OPRUSA.COM)

NAVAL FACILITIES ENGINEERING COMMAND  
REA. D. ESTRELLA  
SOUTHWEST DIVISIONM  
1220 PACIFIC HIGHWAY  
SAN DIEGO, CA 92132  
[REA.ESTRELLA@NAVY.MIL](mailto:REA.ESTRELLA@NAVY.MIL)

LIBERTY UTILITIES  
9750 WASHBURN ROAD  
DOWNEY, CA 90241  
[AdviceLetterService@libertyutilities.com](mailto:AdviceLetterService@libertyutilities.com)