



December 21, 2017

Advice Letter No.336-E

(U 913 E)

## California Public Utilities Commission

Golden State Water Company ("GSWC") hereby transmits one original and two conformed copies of the following tariff sheets applicable to its Bear Valley Electric Service ("BVES") division:

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 2483-E	Preliminary Statement Part HH	Original No. 2169-E
Revised No. 2484-E	Preliminary Statement Part II Page 1 of 2	Original No. 2170-E
Revised No. 2485-E	Preliminary Statement Part II Page 2 of 2	Original No. 2171-E
Revised No. 2486-E	Preliminary Statement Part JJ Page 1 of 2	Original No. 2172-E
Revised No. 2487-E	Preliminary Statement Part JJ Page 2 of 2	Original No. 2173-E
Revised No. 2488-E	Table of Contents Page 1 of 2	Revised No. 2482-E

**SUBJECT: Bear Valley Electric Service Preliminary Statement Update**

### **PURPOSE**

GSWC is modifying its Preliminary Statement to issue new reference letters to Part BB, Part CC, and Part DD, which were added to BVES' tariff book in Advice Letter No. 292-E, approved on June 29, 2015. In Advice Letter No. 292-E, GSWC inadvertently re-used Part

BB, Part CC, and Part DD. To avoid confusion, GSWC has assigned Part HH to replace BB, Part II will replace Part CC and Part JJ will replace Part DD. The issuance of new reference letters is the only change being requested in this advice letter.

### **BACKGROUND**

On November 20, 2014, GSWC filed Advice Letter No. 292-E. The purpose of Advice Letter 292-W was to implement and make effective the rates, tariffs, rules, and Preliminary Statements approved by the California Public Utilities Commission ("Commission") in D.14-11-002, which was approved on November 6, 2014. Preliminary Statements, Part BB- Pension Balancing Account, Part CC- Energy Efficiency Balancing Account, and Part DD- Solar Initiative Balancing Account were added to BVES tariff book with the approval of 292-E on June, 29, 2015. GSWC previously issued these reference letters to other Preliminary Statements.

Advice Letter No. 336-E issues new reference letters to the three Preliminary Statements (Part BB, Part CC, and Part DD) that were approved in Advice Letter No. 292-E.

### **REVISIONS TO PRELIMINARY STATEMENTS**

GSWC is modifying its Preliminary Statements Part BB, Part CC, and Part DD, which were approved in Advice Letter No. 292-E for the purposes of issuing new reference letters. GSWC has assigned Part HH to replace Part BB, Part II will replace Part CC and Part JJ will replace Part DD.

### **TIER DESIGNATION**

This advice letter is submitted with a Tier 1 designation and GSWC requests this advice letter be made effective on December 27, 2017.

### **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: Ronald Moore  
630 East Foothill Blvd.  
San Dimas, CA 91773  
Fax: 909-394-7427  
E-mail: [rkmoore@gswater.com](mailto:rkmoore@gswater.com)

If you have not received a reply to your protest within 10 business days, contact Ronald Moore at (909) 394-3600 ext. 682.

No individuals or utilities have requested notification of filing of tariffs. A copy of this advice letter is being furnished to the entities listed on the service list for A.12-02-013 and to the attached BVES service list.

In accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice letter filing open for public inspection at Bear Valley Electric Service and Golden State Water Company Headquarters.

Sincerely,



Ronald Moore Regulatory Affairs Dept.  
Golden State Water Company

**c: Edward Randolph, Director, CPUC – Energy Division  
James Loewen – Energy Division  
Mark Pocta - Division of Ratepayer Advocates**

**PRELIMINARY STATEMENTS**

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**HH. PENSION BALANCING ACCOUNT**

(7)

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

**1. PURPOSE:**

The purpose of the PBA is to track the difference between

- a. Pension costs allocated to BVES by the Commission in the most recent General Rate Case application for GSWC; and
- b. Actual BVES pension costs based on Accounting Standard Codification 715-10 ("ASC 715-10"), Compensation – Retirement Benefits.

**2. APPLICABILITY:**

The PBA does not have a rate component.

**3. ACCOUNTING PROCEDURE:**

GSWC shall maintain the PBA by making entries at the end of each month as follows:

- a. An entry shall be made to the PBA at the end of each month to record the difference between the pension costs allocated to BVES by the Commission, in the most recent General Rate Case application for GSWC, divided by 12, and the actual BVES monthly-recorded pension costs based on ASC 715-10.
- b. Interest shall accrue to the PBA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release H.15, to the average of the beginning-of-month and the end-of-month.
- c. GSWC is authorized to update the pension costs referenced in 1A above via a Tier 1 advice letter whenever the Commission adopts new pension cost allocations to BVES in a GSWC General Rate Case.

**4. Effective Date**

The PBA shall be effective as of January 1, 2013.

**5. DISPOSITION**

By March of each year GSWC will transfer any over- or under-collection in the PBA, with interest, to the Base Revenue Requirement Balancing Account and such transferred amount shall be administered in accordance with the provisions of the Base Revenue Requirement Balancing Account.

**PRELIMINARY STATEMENTS**

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**II. ENERGY EFFICIENCY BALANCING ACCOUNT**

(T)

Golden State Water Company ("GSWC") shall maintain the Energy Efficiency Balancing Account ("EEBA") for its Bear Valley Electric Service ("BVES") Division as follows.

**1. Purpose:**

The purpose of the EEBA is to track the Public Purpose Program Surcharge ("PPP Surcharge") funds allocable to the Energy Efficiency ("EE") Program and E Program costs. This is an interest bearing one-way account where over-expenditures are not recovered.

**2. Applicability:**

The EEBA does not have a rate component.

**3. Definitions:**

- a. **Effective Date:** Implementation of the EEBA component of the PPP Surcharge to recover the Total Authorized Revenue Requirement shall be effective July 1, 2014 or the effective date of the decision in A. 12-02-013.
- b. **FF&U:** The applicable Franchise Fee and Uncollectibles (FF&U) percentages will be those specified in the Commission's decision in BVES' most recent general rate case.
- c. **Interest Rate:** The Interest Rate shall be 1/12 of the most recent interest on Commercial Paper (prime, 3 months), published in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, interest will so accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H.15, or its successor publication.
- d. **EEBA Revenue:** The monthly EEBA revenue is determined by multiplying the net unbundled PPC-OLI and PPC-LI Surcharge billed during the month by the appropriate EE Program allocation factor as specified in the PPPAM Preliminary Statement.
- e. **EEBA Expenses:** EE Program authorized expenses recorded to the EEBA and consistent with EE Program budgets authorized by the Commission.
- f. **Total Authorized EEBA Revenue Requirement:** the total Authorized EEBA Revenue Requirement shall be the current Commission-adopted budget for the EE Program, plus amortization of any EEBA over- or under-collection from a previous period as authorized by the Commission.
- g. **Total Authorized BVES Public Purpose Programs Revenue Requirement:** the total authorized BVES PPP Revenue Requirement shall be the sum of the Commission-adopted Revenue Requirement associated with all of BVES' Public Purpose Programs, including both Public Good Programs (legislatively mandated) and other Commission-authorized Public Programs. Such amounts are to be detailed and stated in the Public Purpose Program Adjustment Mechanism (PPPAMP) Preliminary Statement.

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**PRELIMINARY STATEMENTS**

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**II. ENERGY EFFICIENCY BALANCING ACCOUNT (continued)**

**4. Accounting Procedure:**

(T)

- a. A credit entry equal to the monthly EEBA Revenue as specified in section 3.d.
- b. A debit entry equal to the EEBA Expenses as specified in section 3.e.
- c. A debit entry equal to the FF&U specified in section 3.b. above times EEBA Revenue.
- d. An entry equal to the monthly interest as specified in section 3.c. applied to the average of the beginning and ending balances in the EEBA.

If the above calculations produce a negative amount (undercollection), such amount will be debited to the EEBA. If the above calculation produces a positive amount (over collection), such amount will be credited to the EEBA. While the EEBA is a one-way balancing account, any EEBA Revenue recorded in the EEBA exceeding authorized program costs expended shall be carried forward to supplement the subsequent year's program or accounted for as otherwise directed by the Commission.

**5. Annual Review and Revision of the EEBA Revenue Requirement.**

Each year by April, BVES shall review the EE program and the balance between the EEBA Revenue collected and the EEBA Expenses expected over the following year. In addition:

- a. BVES may propose an update of the EEBA Revenue Requirement if there is a need to achieve a closer balance between EEBA Revenue and EEBA Expenses as long as this proposal is within guidelines provided by the Commission.
- b. BVES may propose an update of EEBA component of the PPP Surcharges to amortize an under or over collection of the EEBA based on the balance.
- c. Should BVES propose to update the EEBA Revenue Requirement, it must also update the Total PPP Revenue Requirement to reflect such changes it proposes in the EEBA revenue requirement and, if necessary, specify an associated change to the PPP Surcharge, including a revision to the percentage allocation factor to determine the EEBA's share of the Total PPP Revenue Requirement.
- d. If BVES has no updates or changes to propose, BVES will take no action. If BVES has Any updates or changes to proposed, it will do so through the Advice letter process.

**PRELIMINARY STATEMENTS**

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**JJ. SOLAR INITIATIVE BALANCING ACCOUNT**

(T)

Golden State Water Company ("GSWC") shall maintain the Solar Initiative Balancing Account ("SIBA") for its Bear Valley Electric Service ("BVES") Division as follows.

1. Purpose:

The purpose of the SIBA is to track the Public Purpose Program Surcharge (PPP Surcharge) funds allocated to the Solar Initiative ("SI") Program and SI Program costs. This is an interest bearing one-way account where over-expenditures are not recovered.

2. Applicability:

The SIBA does not have a rate component.

3. Definitions:

- a. Effective Date: Implementation of the SIBA component of the PPP Surcharge to Recover the Total Authorized SIBA Revenue Requirement shall be effective July 1, 2014 or the effective date of the decision in A. 12-02-013.
- b. FF&U: The applicable Franchise Fee and Uncollectibles ("FF&U") percentages will be those specified in the Commission's Decision in BVES' most recent general rate case.
- c. Interest Rate: The Interest Rate shall be 1/12 of the most recent interest on Commercial Paper (prime, 3 months), published in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, interest will so accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H.15, or its successor publication.
- d. SIBA Revenue: the monthly SIBA revenue is determined by multiplying the net unbundled PPC-OLI and PPC-LI Surcharges billed during the month by the appropriate SI Program allocation factor as specified in the PPPAM Preliminary Statement.
- e. SIBA Expenses: SI Program authorized expenses recorded to the SIBA.
- f. Total Authorized SIBA Revenue Requirement: The total Authorized SIBA Revenue Requirement shall be the current Commission – adopted budget associated with the SI Program, plus amortization of any SI over- or under-collection from a previous period authorized by the Commission.
- g. Total Authorized BVES Public Purpose Programs Revenue Requirement: the total authorized BVES PPP Revenue Requirement shall be the sum of the Commission- adopted Revenue Requirement associated with all of BVES' Public Purpose Programs, including both Public Good Programs (legislatively mandated) and other Commission-authorized Public Programs. Such amounts are to be detailed and stated in the Public Purpose Program Adjustment Mechanism (PPPAMP) Preliminary Statement.

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**PRELIMINARY STATEMENTS**

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JJ. **SOLAR INITIATIVE BALANCING ACCOUNT (continued)**

4. **Accounting Procedure:**

- a. A credit entry equal to the monthly SIBA Revenue as specified in section 3.d.
- b. A debit entry equal to the SIBA Expenses as specified in section 3.e.
- c. A debit entry equal to the FF&U specified in section 3.b. above times SIBA Revenue.
- d. An entry equal to the monthly interest as specified in section 3.c. applied to the average of the beginning and ending balances in the SIBA.

If the above calculations produce a negative amount (undercollection), such amount will be debited to the SIBA. If the above calculation produces a positive amount (over collection), such amount will be credited to the SIBA. While the SIBA is a one-way balancing account, any PPP Surcharge revenues recorded in the SIBA exceeding authorized program costs expended shall be carried forward to supplement the subsequent year's program or accounted for as otherwise directed by the Commission.

5. **Annual Review and Revision of the SIBA Revenue Requirement.**

Each year by April, BVES shall review the SI program, the reasonableness of costs charged to SIBA, and the balance between the SIBA Revenue collected and the SIBA Expenses expected over the following year. In addition:

- a. BVES may propose an update of the SIBA Revenue Requirement if there is a need to achieve a closer balance between SIBA Revenue and SIBA Expenses as long as this proposal is within guidelines provided by the Commission.
- b. BVES may propose an update of SIBA component of the PPP Surcharges to amortized an under or over collection of the SIBA based on the balance.
- c. Should BVES propose to update the SIBA Revenue Requirement, it must also updated the Total PPP Revenue Requirement to reflect such changes it proposes in the SIBA revenue requirement and, if necessary, specify an associated change to the PPP Surcharge, including a revision to the percentage allocation factor to determine the SIBA's share of the Total PPP Revenue Requirement.
- d. If BVES has no updated or changes to propose, BVES will take no action. If BVES has any updates or changes to proposed, it will do so through the Advice Letter process.

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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., 2ND FLOOR  
SAN BERNARDINO, CA 92415-0140

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

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)