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NOTICE OF APPLICATION REGARDING GOLDEN STATE WATER COMPANY'S REQUEST TO INCREASE RATES FOR THE 2018 GENERAL RATE CASE FOR THE

BEAR VALLEY ELECTRIC SERVICE DIVISION

APPLICATION NO. 17-05-004

On May 1, 2017, Golden State Water Company (GSWC) filed an Application on behalf of its Bear Valley Electric Service Division (BVES) with the California Public Utilities Commission (CPUC) requesting to increase revenues for its 2018-2021 General Rate Case (GRC). Every four years GSWC (BVES) is required to file a GRC with the CPUC to ensure revenues accurately reflect the cost of providing electric service.

BVES requests an overall increase in revenue of \$4,435,911 (11.4%) over four years. The request is for a decrease of (\$1,917,087) (-4.9%) in 2018 from 2017 revenue of \$38,951,277, an increase of \$1,729,665 (4.7%) in 2019, an increase of \$2,339,364 (6.0%) in 2020, and an increase of \$2,283,969 (3.8%) in 2021. BVES anticipates the CPUC will take a year or longer to issue the decision in this case.

The proposed change in revenues based on current and proposed rates for each customer class is as follows:

Table 1: BVES Proposed Rates for 2018-2021

	Current Rates Adjusted for 2018 Updated Sales(\$/ kWh)	2018 Rate Decrease		2019 Rate Increase		2020 Rate Increase		2021 Rate Increase		2018-2021 Overall Rate Increase	
		(\$/ kWh)	(%)	(\$/ kWh)	(%)	(\$/ kWh)	(%)	(\$/ kWh)	(%)	(\$/ kWh)	(%)
Residential	\$0.284	-\$0.010	-3.7%	\$0.010	3.5%	\$0.018	6.4%	\$0.009	3.0%	\$0.026	9.3%
Commercial	\$0.271	-\$0.018	-6.8%	\$0.010	3.9%	\$0.014	5.4%	\$0.013	4.8%	\$0.019	6.9%
Industrial	\$0.160	-\$0.013	-7.8%	\$0.007	4.7%	\$0.009	6.0%	\$0.009	5.6%	\$0.013	8.0%
Street Lighting	\$1.764	-\$0.174	-9.8%	\$0.074	4.7%	\$0.096	5.7%	\$0.103	5.8%	\$0.099	5.6%
T o t a l	\$0.269	-\$0.013	-4.9%	\$0.010	3.7%	\$0.016	6.0%	\$0.011	3.8%	\$0.023	8.5%

WHAT THIS INCREASE IS FOR

Major capital investments which will substantially decrease the frequency of unplanned service outages and costly repairs include the following:

1. Automation of the electric system to detect, pinpoint and isolate circuit failures rapidly and remotely. BVES service crews will come without delay to the exact location of the failure and repair the outage quickly. A 40-minute outage event will be reduced to less than 5 minutes for 90% of affected customers;
2. BVES needs to significantly accelerate the assessment of poles under the heavy loads of conductors, television cables and telephone lines. There are over 8,000 poles in need of assessment and correction;
3. Removal of approximately 1,200 existing distribution lines that are attached to trees, creating a fire hazard. These lines must be attached to BVES poles; and
4. Rebuild an old substation and replace all equipment to ensure safety and reliability of the electric system.

BVES provides retail electric service to the City of Big Bear Lake and the communities of Big Bear City, Fawnskin, Sugarloaf, Erwin Lake, Moonridge, Lake Williams, Baldwin Lake and vicinity, San Bernardino County. The BVES service territory is a resort community, comprised primarily of residential customers. BVES provides service to approximately 24,120 customers; 1,518 of those are commercial, industrial, or public-authority customers and 22,601 are full-time or part-time residential customers. BVES also provides service to two ski resorts in the territory.

FOR FURTHER INFORMATION AND TO OBTAIN A COPY OF THE APPLICATION

A copy of GSWC's Application No. 17-05-004, and related exhibits, may be reviewed at the Bear Valley Electric Service office located at 42020 Garstin Drive, Big Bear Lake, California 92315, between the hours of 8:00 a.m. to 5:00 p.m. The application may also be reviewed at the CPUC's Central Files Office in San Francisco by appointment. For more information, contact aljcentralfilesid@cpuc.ca.gov or 1-415-703-2045.

If you need additional information, you may visit www.bves.com or call 909-866-4678.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where utilities, consumer advocacy groups, and other entities which have been given official status as "parties," will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are parties may participate. The hearings and documents submitted in the proceeding become part of the formal record. The Judge relies upon the formal record when writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and all evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision, determining whether to adopt GSWC's request, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov.

Golden State Water Company

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Write: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Email: public.advisor@cpuc.ca.gov

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
1-866-836-7825 (toll-free) or TTY 1-415-703-5282

Please reference **GSWC's (BVES) GRC Application No. 17-05-004** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.