



July 30, 2015

Advice Letter No. 306-E

(U 913-E)

California Public Utilities Commission

Attention: Energy Division
Advice Letter Filings Room 4005

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

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 2242-E	Preliminary Statements Part W	Original No. 1833-E
Revised No. 2243-E	Table of Contents Page 1 of 2	Revised No. 2241-E

Subject: Update Fire Hazard Prevention Memorandum Account, pursuant to Rulemaking No. 15-05-006

Purpose

GSWC is seeking approval to update its Fire Hazard Prevention Memorandum Account ("FHPMA"). GSWC wants to revise the Disposition section to reflect the original rulemaking for the FHPMA and any future successors to that rulemaking. This advice letter filing is in conjunction with California Public Utilities Commission ("Commission") Order Instituting Rulemaking No. ("R.") 15-05-006, which superseded R.08-11-005 and yet maintains the scope of R.08-11-005. The opening of a new rulemaking by the Commission is not unusual, if the proceeding spans for a long period of time.

Background

The Commission initiated R.08-11-005 on November 13, 2008, to consider revising and clarifying its regulations designed to protect the public from potential hazards, including fires, which may be caused by electric transmission, distribution lines, or communication infrastructure providers' facilities in proximity to the electric overhead transmission or distribution lines.

Initially, the scope of R.08-11-005 included six areas for consideration:

1. Immediate reporting of fire-related incidents and full cooperation with Commission staff;
2. Applying General Order ("G.O.") 165 or similar maintenance and inspection requirements to all electric transmission and communication infrastructure providers' facilities located on poles owned by publicly-owned utilities;
3. Overloading of utility poles;
4. Prompt reporting and resolution of hazards and violations that one pole occupant may observe in another pole occupant's facilities;
5. Vegetation management in high risk fire areas;
6. Mitigation of fire hazards in high speed wind areas.

On January 6, 2009, the Assigned Commissioner to R.08-11-005 split this proceeding into two phases.

On August 25, 2009, the Commission issued its decision in Phase 1, Decision No. ("D") 09-08-029, which, among other things, directed "each cost of service regulated utility to file an advice letter establishing a memorandum account and to record its costs related to implementing these measures in a memorandum account to avoid retroactive ratemaking". These costs (not authorized as part of BVES' GRC or any other proceeding) may include:

1. Expenses associated with vegetation management activities to reduce risk of fires;
2. Increased expenses related to the maintenance program, inspection, and patrolling requirements;
3. Expenses incurred in designing, constructing, and maintaining facilities to mitigate fire hazards in high speed wind areas;
4. Other expenses incurred implementing D.09-08-029.

On January 18, 2012, the Commission issued D.12-01-032 for Phase 2, which, among other things, established a new Phase 3 of the proceeding to consider a number of additional issues including potential new fire threat maps, revising Section IV of General Order 95 to incorporate a new high fire threat district, and potential additional new fire safety standards for the new high fire threat district.

On May 7, 2015, the Commission approved R.15-05-006 to, among other things, 1.) close R.08-11-005, and 2) develop and adopt maps that depict areas in the State of California where there are elevated risk of power-line fires igniting and spreading rapidly.

Request

This advice filing is requesting authorization to modify BVES' Preliminary Statement, Part W, Fire Hazard Prevention Memorandum Account ("FHPMA"). GSWC desires to modify the Disposition section of the FHPMA to account for any future rulemakings the Commission could issue in this proceeding.

Proposed Language

The existing Disposition language in the FHPMA states,

The disposition of the FHPMA balance will be determined in Phase 2 of Rulemaking 08-11-005.

GSWC is proposing the following Disposition language in the FHPMA,

The disposition of the FHPMA balance will be determined in Rulemaking 08-11-005 or its successor(s).

Tier Designation and Effective Date

This advice letter is submitted with a Tier 1 designation and GSWC requests it become effective on May 7, 2015, the date of the issuance of the Order Instituting Rulemaking in R.15-05-006.

Notice and Protests

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties to service list R.08-11-005 by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

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.

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
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the ED Tariff Unit (EDTariffUnit@cpuc.ca.gov) ATTN: Tariff Unit

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:

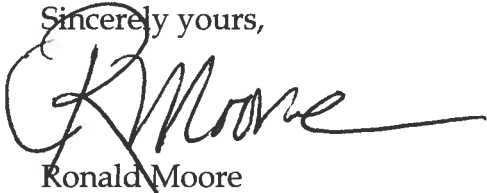
Golden State Water Company
ATTN: Nguyen Quan
630 East Foothill Blvd.
San Dimas, CA 91773
Fax: (909) 394-7427
E-mail: nquan@gswater.com

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. In accordance with General Order 96-B, a copy of this advice letter is being furnished to the entities listed on the attached 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 yours,

A handwritten signature in black ink, appearing to read "R. Moore", with a long horizontal flourish extending to the right.

Ronald Moore
Senior Regulatory Analyst, Regulatory Affairs

c: Donald Lafrenz
CPUC- Energy Division

R. Mark Pocta
CPUC - Office of Ratepayer Advocates

PRELIMINARY STATEMENTS

(Continued)

W. FIRE HAZARD PREVENTION MEMORANDUM ACCOUNT

Golden State Water Company ("GSWC") shall maintain the Fire Hazard Prevention Memorandum Account ("FHPMA") for Bear Valley Electric Service to record all fire hazard prevention costs related to activities necessary to implement the requirements of D.09-08-029 that have not been previously authorized for recovery in BVES' General Rate Case or other regulatory proceeding.

1. PURPOSE

The purpose of the FHPMA is to track the incremental costs incurred related to fire hazard prevention in compliance with California Public Utilities Commission ("Commission") Decision ("D") 09-08-029.

These costs may include the following expenses:

- (1) Vegetation management activities to reduce risk of fire;
- (2) Cost of vegetation maintenance program, inspection, and patrolling requirements;
- (3) Costs associated with designing, constructing, and maintaining facilities to mitigate fire hazards in high wind speed areas;
- (4) Other costs as required in order to implement D. 09-08-029

2. APPLICABILITY

The FHPMA applies to all customer classes, except for those specifically excluded by the Commission.

3. RATES

The FHPMA does not have a rate component.

4. ACCOUNTING PROCEDURES

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

- a. A debit entry shall be made to the FHPMA at the end of each month to record the incremental costs identified in Section 1 above.
- b. Interest shall accrue to the FHPMA 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, to the average of the beginning-of-month and the end-of-month balances.

5. EFFECTIVE DATE

The FHPMA is effective on the effective date of Decision No. 09-08-029, which is August 20, 2009.

6. DISPOSITION

The disposition of the FHPMA balance will be determined in Rulemaking 08-11-005 or its successor(s). (T)

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(Continued)

ISSUED BY

Date Filed: July 30, 2015

Advice Letter No. 306-E

R. J. SPROWLS

Effective Date: May 7, 2015

Decision No. R.15-05-006

President

Resolution No. _____

GOLDEN STATE WATER COMPANY

DISTRIBUTION LIST

BEAR VALLEY ELECTRIC DIVISION

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P. O. Box 558
Big Bear City, CA 92314

City Clerk
City of Big Bear Lake
P. O. Box 2800
Big Bear Lake, CA 92315

City Attorney
City of Big Bear Lake
P. O. Box 2800
Big Bear Lake, CA 92315

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County of San Bernardino
385 N. Arrowhead Ave., 2nd Floor
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