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ADVICE LETTER 474-E

DISTRIBUTED July 10, 2023

Advice Letter 474-E

NOTICE

BVES INC.

**Bear Valley Electric Service, Inc.'s Revisions to
Electric Rule 20, pursuant to Decision 23-06-008**

All Employees



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: Jeff Linam

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) #: 474-E

Tier Designation: Tier 1

Subject of AL: Bear Valley Electric Service, Inc.'s Revisions to Electric Rule 20, pursuant to Decision 23-06-008

Keywords (choose from CPUC listing): Compliance, Rules

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 23-06-008

Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL: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: 7/7/23

No. of tariff sheets: 8

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: See Attachment A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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: Jeff Linam
Title: Regulatory Affairs Manger
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:
Email: RegulatoryAffairs@bvesinc.com; Jeff.Linam@gswater.com

Name: Ronald Moore
Title: Senior Regulatory 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 Ext. 682
Facsimile (xxx) xxx-xxxx:
Email: RegulatoryAffairs@bvesinc.com; ronald.moore@gswater.com



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

July 10, 2023

Advice Letter No. 474-E

(U 913 E)

California Public Utilities Commission

In accordance with the California Public Utilities Commission (Commission) Decision No. 23-06-008, Bear Valley Electric Service, Inc (BVES) hereby submits for filing updates to its Rule No. 20. The revised tariff sheets are listed on Attachment A and are attached hereto.

SUBJECT: Revision of Electric Rule 20 in Compliance with Ordering Paragraph 4 of Decision 23-06-008

PURPOSE

The purpose of this Advice Letter is to implement and make effective the revised Rule 20, pursuant to the Commission in D.23-06-008. This Advice Letter is being filed in compliance with Ordering Paragraph No. 4.

BACKGROUND

The Commission issued the Order Instituting Rulemaking (Rulemaking) to consider revisions to Electric Rule 20 and related matters. The Rulemaking described the long history of the program, dating back to 1967. Electric Rule 20 defines policies and procedures for electric utilities to convert overhead power lines and other equipment to underground facilities at the request of a city, unincorporated county, or private applicant.

On June 8, 2023, the Commission issued D.23-06-008, approving a revised Electric Rule 20, which closes Rulemaking 17-05-010 and orders BVES to file this Tier 1 Advice Letter as detailed in the Discussion section below.

DISCUSSION

Ordering Paragraph No. 4 of D. 23-06-008 requires that BVES modify its Electric Rule 20A tariff to provide as follows:

(a) An Active Rule 20A Project shall be defined as a project with a signed resolution that the utility has designated either as “active” or on “hold.”

(b) A Rule 20A project that a utility has designated as on “hold” is a project that was initiated but has stopped for an indeterminate amount of time due to the community possessing insufficient work credits to fund the entire project.

(c) Any Rule 20A work credit that has not been allocated to a community with an Active Rule 20A Project within two years of the effective date of this decision shall be deemed expired.

(d) Communities shall have the option to contribute financially to any Rule 20A project that has insufficient work credits for completion.

(e) Any Rule 20A work credit that has not been deducted from a community’s work credit balance by December 31, 2033, shall be deemed expired.

(f) The utility shall prioritize reallocation of work credits (pursuant to Section 2(c) of Rule 20A) from inactive communities to Active Rule 20A Projects with insufficient work credits such that the reallocation of such work credits is made first to either (1) Active Rule 20A Projects located in a city, unincorporated county, or tribal jurisdiction that has not completed a Rule 20A project since 2004 or (2) Active Rule 20A Projects where at least 50 percent of the main line trench distance will be located within Environmental and Social Justice Community census tract(s). An Environmental and Social Justice Community census tract shall be defined as a census tract that meets one of the following criteria: (i) scores in the top 25 percent of CalEnviroScreen 4.0, along with those that score within the highest 5 percent of CalEnviroScreen 4.0's Pollution Burden but do not receive an overall CalEnviroScreen score; (ii) located in any federally recognized tribal lands; or (iii) where aggregated household incomes are less than 80 percent of area or state median income.

BVES’s Electric Rule 20 tariffs, provided as Attachment A, has been updated to reflect the above.

RULE 20 GUIDEBOOK

In D.21-06-013, the Commission deemed it “appropriate” to exempt BVES from the new Rule 20 requirements, one of which included the establishment of the Rule 20 Guidebook, until the Commission authorizes Rule 20 funding for BVES. To date, BVES has not requested, nor has the Commission authorized, any Rule 20 funding for BVES.

TIER DESIGNATION

As authorized in D. 23-06-008, BVES is filing this Tier 1 Advice Letter to incorporate the revisions to its Rule 20, as ordered by the Commission. BVES is requesting that the tariffs contained in this Advice Letter be approved with the effective date of July 7, 2023.

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.

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

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:

Bear Valley Electric Service, Inc.
ATTN: Jeff Linam
630 East Foothill Blvd.
San Dimas, CA 91773
E-mail: RegulatoryAffairs@bvesinc.com

If you have not received a reply to your protest within 10 business days, contact Jeff Linam at (909) 394-3600 ext. 664.

No individuals or utilities have requested notification of filing of tariffs. Distribution of this Advice Letter is being made to the attached service list in accordance with General Order No. 96-B.

A copy of this advice letter is being furnished to the entities listed on the service list for A.17-05-010.

Correspondence

Any correspondence regarding this compliance filing should be sent by regular mail or e-mail to the attention of:

Jeff Linam
Manager, Regulatory Affairs
Bear Valley Electric Service, Inc.
630 East Foothill Blvd.
San Dimas, California 91773
Email: RegulatoryAffairs@bvesinc.com

Protests shall set forth the grounds upon which they are based and shall be submitted expeditiously. There is no restriction on who may file a protest.

Sincerely,
/s/Ronald Moore

Ronald Moore
Regulatory Affairs Dept.
Bear Valley Electric Service Inc.

c: Laura Martin, Energy Division, CPUC - Energy Division
R. Mark Pocta, CPUC - Public Advocates Office

Attachment A

Rule 20- Replacement Of Overhead With Underground Electric Facilities, Page 1
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Rule No. 20
REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC
FACILITIES

CONDITIONS AND DEFINITIONS

(N)(L)

1. ACTIVE RULE 20A PROJECT

An Active Rule 20A project is a project with a signed resolution that the Company has designated as either active or on hold.

2. ON HOLD RULE 20A PROJECT

An On Hold Rule 20A Project is a project that was initiated but has stopped for an indeterminate amount of time due to the community possessing insufficient work credits to fund the entire project.

3. INACTIVE COMMUNITY

An Inactive Community is one that has not:

- a. Formally adopted an undergrounding district ordinance which expires at completion of work within the district boundaries;
- b. Started or completed construction of an undergrounding conversion project since 2011; or
- c. Received Rule 20A allocations from the utility for only five (5) years or fewer due to recent incorporation.

4. EXPIRED RULE 20A WORK CREDIT

Any Rule 20A work credit that has not been allocated to a community with an Active Rule 20A Project by June 8, 2025, shall be deemed expired. Any Rule 20A work credit that has not been deducted from a community's work credit balance by December 31, 2033, shall be deemed expired.

5. ENVIRONMENTAL AND SOCIAL JUSTICE (ESJ) COMMUNITY CENSUS TRACT(S)

An ESJ Community census tract is a census tract that meets one of the following criteria:

Scores in the top twenty-five percent (25%) of CalEnviroScreen 4.0, along with those that score within the highest five percent (5%) of CalEnviroScreen 4.0's Pollution Burden but do not receive an overall CalEnviroScreen score;

- a. Located in any federally-recognized tribal lands; or
- b. Where aggregated household incomes are less than eighty percent (80%) of area or state median income.

6. UNDERSERVED COMMUNITY

Any city, unincorporated county, or tribal jurisdiction that has not completed a Rule 20A project since 2004.

(N)(L)

(Continued)

Advice Letter No. 474-E
Decision No. 23-06-008

Issued By
Paul Marconi
President

Date Filed July 10, 2023
Effective July 7, 2023
Resolution No. _____

Rule No. 20
REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC
FACILITIES

- A. BVES will at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to BVES have been obtained by BVES, provided that: (L)
1. The governing body of the city or county in which such electric facilities are and will be located has
 - a. Determined, after consultation with BVES and after holding public hearings on the subject, that such undergrounding is in the general public interest for one or more of the following reasons:
 - (1) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
 - (2) The street, road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic;
 - (3) The street, road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public; or
 - (4) The street or road or right-of-way is considered an arterial street or major collector road, as defined in the Governor's Office of Planning and Research General Plan Guidelines.
 - b. Adopted an ordinance creating an underground district in the area in which both the existing and new facilities are and will be located requiring, among other things, (1) that all existing overhead communication and electric distribution facilities in such district shall be removed, (2) that each property served from such electric overhead facilities shall have been installed in accordance with BVES's rules for underground service, all electrical facility changes on the premises necessary to receive service from the underground facilities of BVES as soon as it is available, and (3) authorizing BVES to discontinue its overhead service.
 2. BVES's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county shall be allocated as follows:
 - a. The amount allocated to each city and county in 1990 shall be the highest of:
 - (1) The amount allocated to the city or county in 1989, which amount shall be allocated in the same ratio that the number of overhead meters in such city or unincorporated area of any county bears to the total system overhead meters; or

(L)

(Continued)

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Rule No. 20
REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC
FACILITIES

- A. VES will at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to BVES have been obtained by BVES, provided that: **(Continued)**
- (2) The amount the city or county would receive if BVES's total annual budgeted amount for undergrounding provided in 1989 were allocated in the same ratio that the number of overhead meters in each city or the unincorporated area of each county bears to the total system overhead meters based on the latest count of overhead meters available prior to establishing the 1990 allocations; or
- (3) The amount the city or county would receive if BVES's total annual budgeted amount for undergrounding provided in 1989 were allocated as follows:
- a) Fifty percent of the budgeted amount allocated in the same ratio that the number of overhead meters in any city or the unincorporated area of any county bears to the total system overhead meters; and
- b) Fifty percent of the budgeted amount allocated in the same ratio that the total number of meters in any city or the unincorporated area of any county bears to the total system meters.
- b. Except as provided in Section 2.c., the amount allocated for undergrounding within any city or the unincorporated area of any county in 1991 and later years shall use the amount actually allocated to the city or county in 1990 as the base, and any changes from the 1990 level in BVES's total annual budgeted amount for undergrounding shall be allocated to the individual cities and counties as follows:
- (1) Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the number of overhead meters in any city or unincorporated area of any county bears to the total system overhead meters.
- (2) Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the total number of meters in any city or the unincorporated area of any county bears to the total system meters.

(L)

(L)

(Continued)

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Rule No. 20
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FACILITIES

- A. BVES will at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to BVES have been obtained by BVES, provided that: **(Continued)** (L)

- c. When a city incorporates, resulting in a transfer of utility meters from the unincorporated area of a county to the city, there shall be a permanent transfer of a pro rata portion of the county's 1990 allocation base referred to in Section 2.b. to the city. The amount transferred shall be determined:
 - (1) Fifty percent based on the ratio that the number of overhead meters in the city bears to the total system overhead meters; and
 - (2) Fifty percent based on the ratio that the total number of meters in the city bears to the total system meters. When the territory is annexed to an existed city, it shall be the responsibility of the city and county affected, in consultation with BVES serving the territory, to agree upon an amount of the 1990 allocation base that will be transferred from the county to the city, and thereafter to jointly notify BVES in writing.

- d. However, Section 2 a, b, and c shall not apply to any utility where the total amount available for allocation under Rule 20-A is equal to or greater than 1.5 times the previous year's statewide average on a per customer basis. In such cases, BVES's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county shall be allocated in the same ratio that the number of overhead meters in the city or unincorporated area of the county bears to the total system overhead meters.

- e. Upon request by a city or county, the amounts allocated in accordance with Section 2. a, b, c, or d may be exceeded for each city or county by an amount up to a maximum of five years' allocation at then-current levels may be exceeded where BVES establishes that additional participation on a project is warranted and resources are available. Such allocated amounts may be carried over for a reasonable period of time in communities with active undergrounding programs. In order to qualify as a community with an active under-grounding program, the governing body must have adopted an ordinance or ordinances creating an underground district and/or districts as set forth in Section A.1.b. of this Rule. Where there is a carry-over or additional requested participation as discussed above, BVES has the right to set, as determined by its capability, reasonable limits on the rate of performance of the work to be financed by the funds carried over. When amounts are not expended or carried over for the community to which they are initially allocated, they shall be assigned when additional participation on a project is warranted or be reallocated to communities with active undergrounding programs. (L)

(Continued)

Rule No. 20
REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC
FACILITIES

- A. BVES will at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to BVES have been obtained by BVES, provided that: **(Continued)** (L)
3. The undergrounding extends for a minimum distance of one block or 600 feet, whichever is the lesser. Upon request of the governing body, BVES will pay from the existing allocation of that entity for:
- a. The installation of no more than 100 feet of each customer's underground electric service lateral occasioned by the undergrounding, and/or
 - b. The conversion of a customer's meter panel to accept underground service occasioned by the undergrounding, excluding permit fees.
- BVES or the governing body may establish a lesser allowance, or may otherwise limit the amount of money to be expended on a single customer's electric service, or the total amount to be expended on all electric service installations in a particular project.
- B. In circumstances other than those covered by A above, BVES will replace its existing overhead electric facilities with underground electric facilities along public streets and roads or other locations mutually agreed upon when requested by an applicant or applicants when all of the following conditions are met:
- 1. a. All property owners served from the overhead facilities to be removed first agree in writing to have the wiring changes made on their premises so that service may be furnished from the underground distribution system in accordance with BVES's rules and that BVES may discontinue its overhead service upon completion of the underground facilities, or
 - b. Suitable legislation is in effect requiring such necessary wiring changes to be made and authorizing BVES to discontinue its overhead service.
 - 2. The applicant has:
 - a. Furnished and installed the pads and vaults for transformers and associated equipment, conduits, ducts, boxes, pole bases and performed other work related to structures and substructures including breaking of pavement, trenching, backfilling, and repaving required in connection with the installation of the underground system, all in accordance with BVES's specifications, or, in lieu thereof, paid BVES to do so;
 - b. Transferred ownership of such facilities, in good condition, to BVES; and
 - c. Paid a nonrefundable sum equal to the excess, if any, of the estimated costs, including transformers, meters, and services, of completing the underground system and building a new equivalent overhead system. The cost of removal of the overhead poles, lines, and facilities are the responsibility of BVES and will be paid by BVES. Such payments shall not operate to reduce Rule 20.A allocations. (L)

Rule No. 20
REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC
FACILITIES

3. The area to be undergrounded includes both sides of a street for at least one block or 600 feet, whichever is the lesser, and all existing overhead communication and electric distribution facilities within the area will be removed. (L)
4. BVES may, when requested and authorized by the city or county and mutually agreed upon by such government entity and BVES, initially fund any required engineering/design costs for conversion projects under this section. In the event such a project proceeds, the requesting city or county shall reimburse BVES for such engineering/design costs before BVES shall be required to commence further work on the project. In the event the project is not approved to proceed within two and one half years of BVES's delivery of such engineering/design study, the requesting city or county shall reimburse BVES for its costs of such engineering/design study within 90 days of a demand by BVES. In the event a city or county does not reimburse BVES within 90 days of its demand for reimbursement, BVES shall be permitted to expense such costs as an operational cost and shall reduce the city or county's allocations provided under Section A of this Schedule by the like amount.
- C. In circumstances other than those covered by A or B above, when mutually agreed upon by BVES and an applicant, overhead electric facilities may be replaced with underground electric facilities, provided the applicant requesting the changes pays, in advance, a nonrefundable sum equal to the estimated cost of the underground facilities less the estimated net salvage value and depreciation of the replaced overhead facilities. Underground services will be installed and maintained as provided in BVES's rules applicable thereto.
- D. The term "underground electric system" means an electric system with all wires installed underground, except those wires in surface mounted equipment enclosures. (L)