TARIFFS
(RATES, RULES AND REGULATIONS, MAPS)
MASTER DISTRIBUTION LIST

ADVICE LETTER 535-E **DISTRIBUTED** July 22, 2026

Advice Letter 535-E

APPROVAL

Effective Date: January 21, 2026

BVES INC.

Establish the Solar and Battery Tax Memorandum Account

All Employees

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

Bear Valley Electric Service, Inc.
ELC (Corp ID 913)
Status of Advice Letter 535E
As of July 22, 2026

Subject: Establish the Solar and Battery Tax Memorandum Account

Division Assigned: Energy

Date Filed: 01-21-2026

Date to Calendar: 01-26-2026

Authorizing Documents: D2501007

Disposition:	**Accepted**
Effective Date:	**01-21-2026**

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Regulatory Affairs
(909) 394-3600
RegulatoryAffairs@bvesinc.com

STATE OF CALIFORNIA **GAVIN NEWSOM,** *Governor*

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Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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: Regulatory Affairs Dept.
Phone #: (909) 394-3600
E-mail: RegulatoryAffairs@bvesinc.com
E-mail Disposition Notice to: RegulatoryAffairs@bvesinc.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 535-E

Tier Designation: 1

Subject of AL: Establish the Solar and Battery Tax Memorandum Account

Keywords (choose from CPUC listing): Compliance, Tariffs

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:
Decision No. 25-01-007

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: 1/21/26

No. of tariff sheets: 19

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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: Preliminary Statement Part JJJ

Service affected and changes proposed[1]: see Advice Letter

Pending advice letters that revise the same tariff sheets:

[1]Discuss in AL if more space is needed.

Clear Form

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: Jenny Chen
Title: Regulatory Affairs Manager
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 664
Facsimile (xxx) xxx-xxxx: (909) 394-7427
Email: RegulatoryAffairs@bvesinc.com; Jenny.Chen@gswater.com

Name: Alicia Menchaca
Title: Rate 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 x497
Facsimile (xxx) xxx-xxxx:
Email: RegulatoryAffairs@bvesinc.com; alicia.menchaca@bvesinc.co

Clear Form

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

January 21, 2026

Advice Letter No. 535-E **(U 913 E)**

California Public Utilities Commission

Bear Valley Electric Service, Inc. ("BVES") hereby transmits for filing the following:

Subject: *Establish the Solar and Battery Tax Memorandum Account*

PURPOSE

Pursuant to Decision ("D.") 25-12-024, Ordering Paragraph ("OP") 5, BVES is filing this Tier 1 advice letter to create a new Solar and Battery Tax Memorandum Account ("SBTMA"). OP 5 states,

> *Bear Valley Electrical Services, Inc. is authorized to file a Tier 1 advice letter to establish the Solar and Battery Tax Memorandum Account to include any increase or decrease in the Investment Tax Credit (ITC) allowed in a given tax year or in the aggregate, including but not limited to, the ITC rate, the amount of costs eligible for ITC, timing of when the ITC reduces tax liability, subsequent recapture events, subsequent ITC ineligibility if any, subsequent changes in tax laws, Internal Revenue Service audits and tax-related interest and penalties.*

The SBTMA will be used to track and record any increase or decrease in the Investment Tax Credit ("ITC") allowed in a given tax year or in the aggregate, including but not limited to:

- The ITC rate
- The amount of costs eligible for ITC
- Timing of when the ITC reduces tax liability
- Subsequent recapture events
- Subsequent ITC ineligibility, if any
- Subsequent changes in tax laws
- Internal Revenue Service audits and tax-related interest and penalties

BACKGROUND

On May 17, 2024, Bear Valley Electric Service, Inc. filed Application ("A.") 24-05-020 requesting the California Public Utilities Commission ("Commission") approval to enter into two engineering, planning, and construction agreements with EDF Renewable Solutions for the development of:

1. A solar generating facility (Solar Project); and
2. A battery energy storage facility (Battery Storage Project).

The adopted Settlement Agreement proposes to track the differences between the Solar Project's adopted and realized ITC in a memorandum account, the Solar and Battery Tax Memorandum Account ("SBTMA"). The proposed SBTMA would track the ITC either in a given tax year or in aggregate in addition, but not limited to,

> *the ITC rate (expected to be 30%), the amount of costs eligible for ITC, timing of when the ITC reduces tax liability, subsequent recapture events, subsequent ITC ineligibility if any, subsequent changes in tax laws, IRS audits and tax-related interest and penalties.*[1]

Note: Pursuant to D.25-12-024, OP 6, BVES is authorized to file a Tier 3 advice letter to recover the costs recorded in the SBTMA in the future. BVES shall notify the Public Advocates Office at least 45 days prior to filing the Tier 3 advice letter and provide the Public Advocates Office with supporting workpapers and documentation for the Tier 3 advice letter.

TARIFF REVISIONS
Establish a Preliminary Statement for the Solar and Battery Tax Memorandum Account.

TIER DESIGNATION
This advice letter is submitted with a Tier 1 designation, pursuant to D.25-12-024.

EFFECTIVE DATE
BVES respectfully requests this advice letter become effective January 21, 2026.

NOTICE AND PROTEST
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 Commission in acting on the request.

A protest must be mailed within 20 days of the date the Commission accepts the advice letter for submission. The Calendar is available on the Commission'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

[1] D.25-12-024, p. 19.

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
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

The protest or correspondence should also be sent via U.S. mail and/or electronically, if possible, to BVES at the addresses shown below on the same date it is delivered to the Commission.

Jenny Chen
Regulatory Affairs Manager
Bear Valley Electric Service, Inc.
E-mail: RegulatoryAffairs@bvesinc.com

If you have not received a reply to your protest within 10 business days, please contact Alicia Menchaca at (909) 630-5555.

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

Regulatory Affairs
Bear Valley Electric Service, Inc.
630 E. Foothill Blvd.
San Dimas, California 91773
Email: RegulatoryAffairs@bvesinc.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/Alicia Menchaca
Alicia Menchaca
Rate Analyst, Regulatory Affairs
Bear Valley Electric Service, Inc.

c: Cheryl Cox, Energy Division

Michael Campbell, California Public Advocates Office
Tamera Godfrey, California Public Advocates Office
Mina Botros, California Public Advocates Office
BVES General Order 96-B Service List

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
3778-E	PRELIMINARY STATEMENTS Solar and Battery Tax Memorandum Account Sheet 1	
3779-E	Table of Contents Sheet 1	3776-E

JJJ. Solar and Battery Tax Memorandum Account (N)

Bear Valley Electric Service, Inc. ("BVES") shall maintain the Solar and Battery Tax Memorandum Account ("SBTMA"). (C)

1. PURPOSE
Pursuant to D.25-12-024, Ordering Paragraph No. 5, the purpose of the SBTMA is to track and record any increase or decrease in the Investment Tax Credit ("ITC") allowed in a given tax year or in the aggregate, including but not limited to: the ITC rate, the amount of costs eligible for ITC, timing of when the ITC reduces tax liability, subsequent recapture events, subsequent ITC ineligibility if any, subsequent changes in tax laws, Internal Revenue Service audits and tax-related interest and penalties.

2. APPLICABILITY
The SBTMA applies to all residential customer classes, except for those specifically excluded by the Commission.

3. RATES
The SBTMA does not have a rate component.

4. ACCOUNTING PROCEDURES
BVES shall maintain the SBTMA by making entries at the end of each month as follows:

a. Entries shall be made to the SBTMA at the end of each month to record the differences between the Solar Project and the Battery Storage Project's adopted and realized ITC.

b. Interest shall to the SBTMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Non-Financial 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 (C)
The SBTMA shall have the effective date of January 21, 2026.

6. DISPOSITION
Disposition of amounts recorded in the SBTMA shall be addressed in a Tier 3 advice letter pursuant to D.25-12-024, OP 6.

(Continued)

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:

Subject Matter of Sheet	Sheet No.	
Title Page	2845-E	
Table of Contents	3779-E, 3544-E, 3777-E, 3339-E	(T)
Preliminary Statements	935-E, 1590-E*, 1591-E*, 2381-E*, 2382-E*, 1594-E*, 1595-E*, 1596-E*, 1597-E*, 3682-E, 2177-E, 3683-E, 2985-E, 2986-E, 2602-E, 2603-E*, 1604-E*, 1605-E*, 1606-E*, 1611-E*, 2201-E, 3752-E, 3753-E, 2865-E, 1929-E, 2028-E, 2034-E, 3642-E, 2818-E, 2483-E, 2485-E, 2487-E, 2174-E, 2175-E, 2443-E, 2444-E, 2554-E, 2565-E, 2768-E, 2633-E, 2653-E, 3539-E, 2866-E, 3604-E, 3091-E, 3092-E, 3093-E, 3095-E*, 3224-E, 3343-E, 3364-E, 3365-E,3367-E, 3368-E, 3377-E, 3378-E, 3388-E, 3474-E, 3606-E, 3778-E	(P) (P)
Tariff Area Map	1140-E	

Rate Schedules:

No. A-1 General Service	3754-E, 3646-E, 3647-E	
No. A-2 General Service	3755-E, 3649-E	
No. A-3 General Service	3756-E, 3651-E	
No. A-4 General Service- TOU	3757-E, 3653-E, 3654-E	
No. A-5 TOU Primary	3758-E, 3656-E, 3657-E	
No. A-5 TOU Secondary	3759-E, 3659-E, 3660-E	
No. D Domestic Service - Single-family Accommodation	3760-E, 3662-E, 3663-E	
No. DE Domestic Service to Company Employees	3761-E, 3665-E	
No. DLI Domestic Service - CARE Rate	3762-E, 3775-E, 1857-E, 3284-E	(P)
No. DM Domestic Service - Multi-family Accommodation	3763-E, 3670-E, 3671-E	
No. DMS Domestic Service -Multi-family Accommodation Sub-metered	3764-E, 3765-E, 3673-E	
No. DO Domestic Service – Other	3766-E, 3675-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	3767-E, 3677-E	
No. SL Street Lighting Service	3768-E, 3679-E	
No. SSC Special Service Charges	3241-E, 2711-E	
No. S Standby Standby Service	3542-E, 2160-E, 2161-E	
No. SMO Smart Meter Opt-Out Residential Service	2445-E	
No. PPC-LI Public Purpose Charge - Low Income	3697-E	
No. PPC-OLI Public Purpose Charge - Other Than Low Income	3698-E	
No. UF-E Surcharge to Fund PUC Utilities Reimbursement Account Fee	3517-E	
No. TOU-EV-1 General Service Time of Use Electric Vehicle Charging	3769-E, 2606-E	
No. TOU-EV-2 General Service Time of Use Electric Vehicle Charging	3770-E, 3336-E	
No. TOU-EV-3 General Service Time of Use Electric Vehicle Charging	3771-E, 3338-E	
No. DGS Distributed Generation Service Program	3602-E, 2789-E, 2790-E	
No. DGS NEM-L Distributed Generation Service Net Energy Metering-Large	2833-E, 2834-E, 2835-E	
No. DGS NEM-S Distributed Generation Service Net Energy Metering-Small	2836-E, 2837-E, 2838-E	

(Continued)

BEAR VALLEY ELECTRIC SERVICE, INC.

G.O. 96-B

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

April 3, 2026

Energy Division
Advice Letter Filing Room
4005 California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: Substitute Sheets for Bear Valley Electric Service, Inc.'s (913-E) Advice Letter No. 535-E

Pursuant to General Order 96-B, General Rule 7.5.1, Bear Valley Electric Service, Inc. ("BVES"), hereby submits the following substitute sheet for its Advice Letter No. 535-E, Establish the Solar and Battery Tax Memorandum Account.

Advice Letter Summary
The tariff sheet count has been updated to reflect the number of tariff reflected in 535-E.

Preliminary Statement Part JJJ
The preliminary statement for part JJJ has been updated to include a CPUC Sheet Number.

Table of Contents
A table of contents has been updated to include the Preliminary Statement Part JJJ CPUC Sheet No.

Attachment 1
Attachment 1 – CPUC Sheet No. summary has been updated to include tariff sheets and CPUC Nos. in Advice Letter 535-E.

This submittal is being made according to the provisions in the California Public Utilities Commission's General Order 96-B and is being served on the same persons and entities as Advice Letter No. 535-E.

If you have any questions regarding this matter, I can be reached at (909) 630-5555.

Sincerely yours,
/s/ Alicia Menchaca

Alicia Menchaca
Rate Analyst, Regulatory Affairs Dept.
Bear Valley Electric Service, Inc.

cc: Cheryl Cox, Energy Division
Michael Campbell, California Public Advocates Office
Tamera Godfrey, California Public Advocates Office

Mina Botros, California Public Advocates Office
BVES General Order 96-B Service List

Advice Letter No. 535-E
Substitute Sheets