

NOTICE OF APPLICATION
Bear Valley Electric Service, Inc. Request to Increase Rates for the 2023 General Rate Case

APPLICATION NO. A.22-08-010

Why am I receiving this notice?

On August 30, Bear Valley Electric Service, Inc. (Bear Valley) filed an Application with the California Public Utilities Commission (CPUC) requesting to increase revenues for its 2023-2026 General Rate Case (GRC). Bear Valley requests a revenue requirement of \$50.28 million for 2023, an increase of approximately \$10.54 million (26.51%) from 2022 adopted revenues. Bear Valley is also requesting increases in revenues of \$2.24 million (4.45%) in 2024, \$1.85 million (3.53%) in 2025, and \$2.93 million (5.39%) in 2026. The application is requesting a total combined increase of \$17.56 million (39.88%) over the four-year cycle 2023-2026.

If the CPUC approves this application, Bear Valley will recover forecasted costs in electric rates over a four-year period beginning January 1, 2023. The average residential monthly bill using 325 kWh per month would increase by approximately \$28.16 or 30.32% per month in 2023.¹

Table 1: BVES Proposed Rates for 2023-2026

Rate Schedules	2022 Current	2023 Rate Increase		2024 Rate Increase		2025 Rate Increase		2026 Rate Increase		2023-2026 Overall Rate Increase	
	(\$/ kWh)	(\$/ kWh)	(%)	(\$/ kWh)	(%)	(\$/ kWh)	(%)	(\$/ kWh)	(%)	(\$/ kWh)	(%)
Residential	\$ 0.316	\$ 0.091	28.9%	\$ 0.009	2.3%	\$ 0.015	3.5%	\$ 0.023	5.3%	\$ 0.138	43.7%
Commercial	\$ 0.296	\$ 0.070	23.6%	\$ 0.007	1.8%	\$ 0.012	3.1%	\$ 0.018	4.8%	\$ 0.106	36.0%
Industrial	\$ 0.176	\$ 0.021	12.1%	\$ 0.003	1.5%	\$ 0.002	1.0%	\$ 0.010	4.9%	\$ 0.036	20.6%
Street Lighting	\$ 0.774	\$ 0.192	24.8%	\$ 0.020	2.1%	\$ 0.047	4.8%	\$ 0.049	4.8%	\$ 0.309	39.9%
Total	\$ 0.298	\$ 0.079	26.4%	\$ 0.016	4.3%	\$ 0.013	3.3%	\$ 0.021	5.1%	\$ 0.129	43.1%

Why is Bear Valley requesting this rate increase?

Every four years Bear Valley is required to file a GRC with the CPUC to ensure revenues accurately reflect the cost of providing electric service, maintaining the infrastructure and making needed system improvements. A significant portion of this increase is for investments in programs and improvements to increase public safety from the threat of wildfires and increase service reliability. Bear Valley’s GRC proposal includes approximately \$62 million in new investments from 2023-2026 to help keep customers safe and reduce the impacts of extreme weather and the threat of catastrophic wildfires. Those investments include:

- 1. Covered Conductor Replacement Project.**
 - Significantly reduces the risk of wildfires by hardening the grid
 - Aims to replace high voltage bare conductors with covered conductors on all sub-transmission lines (34.5 kV)
 - Replace all bare 4 kV distribution conductors in high-risk areas within the service area with covered conductors
- 2. Evacuation Route Hardening Project.**
 - Strengthens Bear Valley facilities along evacuation routes and makes them more fire-resistant
 - Allows the safe evacuation of the public in the event of a wildfire
 - Better protects the mobility of First Responders to move assets in and out of the wildfire areas
- 3. Enhanced Vegetation Management Program.**
 - Preventative vegetation management, which encompasses regularly scheduled tree trimming
 - Corrective vegetation clearance, which prioritizes immediate work and correction

¹ Reflects a simple average of the Residential Permanent and Residential Non-Permanent average monthly bill increase

- Emergency vegetation clearance, which follows major disasters from storms
 - Laser-based surveys of circuits and unmanned aerial vehicle (UAV) thermography and high definition photography and videography
 - Third party independent patrol inspections, quality assurance and quality control programs, substation inspections, intrusive inspections of wood poles, and stress analysis of poles
- 4. Switch and Field Device Automation.**
- Establishes a robust and secure communications network across the sub-transmission and distribution systems
 - Allows the system to monitor, report and document key parameters on field switches that may indicate impending catastrophic equipment failures that can cause ignitions leading to wildfires which allows for immediate action to be taken by Bear Valley crews and First Responders
 - Allows for Bear Valley to remotely and rapidly de-energize sections of circuits when the circuit is determined to be at high risk of causing an ignition thereby removing risk while minimizing impact to unaffected portions of the circuit and customers served

How does the rest of this process work?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt Bear Valley’s application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding may review Bear Valley's application, including the Public Advocates Office. The Public Advocates Office is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information, please call 1-415-703-1584, email PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

Where can I get more information?

Contact Bear Valley

Phone: 1-800-808-2837 (toll-free)
 1-877-933-9533 (toll-free) TTY
 Email: CustomerService@bvesinc.com
 Mail: 630 E. Foothill Blvd
 San Dimas, CA 91773

A copy of the Application and any related documents may also be reviewed at <https://www.bvesinc.com/customer-service/rates-regulations>.

Contact CPUC

Please visit apps.cpuc.ca.gov/c/A2208010 to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding. Your participation by providing your thoughts on Bear Valley's request can help the CPUC make an informed decision.

If you have questions about CPUC processes, you may contact the CPUC’s Public Advisor’s Office at:

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074**
 Email: Public.Advisor@cpuc.ca.gov
 Mail: CPUC Public Advisor’s Office
 505 Van Ness Avenue
 San Francisco, CA 94102

Please reference **Application A.22-08-010** in any communications you have with the CPUC regarding this matter.

BEAR VALLEY ELECTRIC SERVICE, INC.