

**BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Bear Valley Electric Service, Inc.  
(U 913 E) for Authority to, Among Other Things,  
Increase Rates and Charges, and Authorized  
Revenues, for Electric Service Effective January 1,  
2027

Application No. 26-01-022  
(Filed January 30, 2026)

**2027 GENERAL RATE CASE AMENDMENT AND SUPPLEMENT  
TO APPLICATION  
OF BEAR VALLEY ELECTRIC SERVICE, INC. (U 913-E)**

**Sean Matlock**  
Energy Resources Manager  
Bear Valley Electric Service, Inc.  
42020 Garstin Drive  
P.O. Box 1547  
Big Bear Lake, California 92315  
Telephone: (909) 866-4678  
Facsimile: (909) 866-5056  
E-mail: [sean.matlock@bvesinc.com](mailto:sean.matlock@bvesinc.com)

March 13, 2026

**TABLE OF CONTENTS**

	<b>Page</b>
<b>A. INTRODUCTION.....</b>	<b>1</b>
<b>B. SUMMARY OF VOLUME 6 TESTIMONY .....</b>	<b>2</b>
<b>C. PROTEST PERIOD END DATE.....</b>	<b>4</b>
<b>D. CONCLUSION .....</b>	<b>4</b>

**BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Bear Valley Electric Service, Inc.  
(U 913 E) for Authority to, Among Other  
Things, Increase Rates and Charges, and  
Authorized Revenues, for Electric Service  
Effective January 1, 2023

Application No. 26-01-022  
(Filed January 30, 2026)

**2027 GENERAL RATE CASE AMENDMENT AND SUPPLEMENT  
TO APPLICATION  
OF BEAR VALLEY ELECTRIC SERVICE, INC. (U 913-E)**

**A. INTRODUCTION**

Bear Valley Electric Service, Inc. (“BVES” or “Bear Valley” or the “Company”) submitted its General Rate Case (“GRC”) Application 26-01-022 (“Application” or “GRC Application”) and associated prepared testimony and documents on January 30, 2026. In its Application, BVES sought, among other things: authority to increase general rates, energy supply charges, and certain other charges; authority to implement additional programs and capital improvements; and approval of an appropriate overall rate of return, return on common equity, cost of debt and capital structure. BVES sought approval of a capital budget for the four-year rate cycle, and cost recovery of three capital projects, along with allowance for funds used during construction, through advice letter, once the projects are completed and useful. Besides the standard disposition of balancing and memo accounts, BVES also requested to dispose of the 2023 and 2024 CEMA Winter Storm Memo Accounts; create a new Wildfire Expense Memo Account to track incremental unreimbursed wildfire-liability-related costs; and establish a Cost of Capital Mechanism.

In its Application, BVES indicated that it would subsequently supplement its Application with a proposed cost allocation and rate design.<sup>1</sup> This two-step application process was used in BVES's last two general rate case applications in 2017 and 2022, and was confirmed again in Section 10.6 of the Settlement Agreement adopted in Decision 25-01-007. In accordance with its Application, and as previously authorized as noted above, BVES hereby submits its Amendment and Supplement to Application for Authority to, Among Other Things, Increase Rates and Charges, and Authorized Revenues, for Electric Service Effective January 1, 2027.

## **B. SUMMARY OF VOLUME 6 TESTIMONY**

The purpose of the Supplement and Volume 6, Cost Allocation and Rate Design, is to provide BVES's marginal cost analysis, proposed revenue allocation, and proposed rates to recover its overall revenue requirement sought in its GRC Application.

Section I provides an introduction to the testimony which includes: (a) a description of the current rate classes; (b) development of the Marginal Cost of Service ("MCS") study; and (c) development of the proposed revenue targets, rate design, and bill impact analyses for each rate class. This Section also provides the qualifications of the cost allocation and rate design witness, Talha Sheikh, a Director at ScottMadden, Inc.

Section II provides a summary of the findings and recommendations from the MCS and development of proposed revenue targets, rate design, and bill impact analysis.

Section III provides an overview of BVES, including the characteristics of BVES's rate classes.

Section IV provides the process and results of BVES's MCS study. The MCS study develops marginal customer, energy, and demand costs for each rate class. Marginal customer costs were developed based on the New Customer Only ("NCO") method. Marginal distribution demand costs were developed based on an analysis of incremental transmission and distribution costs to serve incremental peak demands. Marginal generation capacity costs were developed based on cost of a 4-hour lithium-ion battery resource. And lastly, marginal energy costs were

---

<sup>1</sup> Application at p. 2.

developed based on the 2027-2030 forecasted energy costs developed as part of the Company's power supply cost forecast.

Section V discusses the revenue allocation and rate design. Revenue allocation is the process of determining the responsibility for each customer class for the overall annual revenue requirement. The results of the allocation process affect the differences in rates among BVES's customer classes.

There are two commonly used methods of revenue allocation. One is to allocate revenues among customer classes based on the system average percent ("SAP") methodology, and the other is to allocate revenues among customer classes based on an equal percentage of marginal costs ("EPMC"). If BVES proposed implementing 100% EPMC allocation in this GRC, it would cause rate continuity concerns for the permanent residential customer class. Therefore, BVES is proposing a hybrid approach using both the EPMC and SAP methodologies.

BVES proposes to allocate 10 percent of proposed revenues based on the EPMC method and 90 percent of proposed revenues based on the SAP method. BVES's proposed methodology strikes an appropriate balance between moving to a cost-based rate structure (EPMC method) and addressing rate continuity concerns (SAP method). For example, relying only on the results of the MCS study (i.e., 100 percent EPMC method) would result in an increase for the Residential Permanent rate class of 31 percent, more than 2.0 times the system average rate increase. BVES believes that such an increase for the Residential Permanent rate class is not appropriate particularly since a significant driver for the overall revenue increase is related to wildfire mitigation costs -- which provides benefits to all customers.

This Section also sets forth the actual rates BVES proposes for 2027, 2028, 2029 and 2030 for each customer class and tariff schedule. The rates are based upon the revenue allocation methodologies described above and are designed to recover the overall revenue requirement sought by BVES in this Application. The rates also reflect continuation of 20.0 percent discount in usage charges for customers who qualify for California Alternate Rates for Energy ("CARE").

BVES also proposes modified Schedules TOU-EV-1, TOU-EV-2, and TOU-EV-3 in this GRC, aligning costs of service for EV chargers with costs of service for the applicable customer

class. For example, the design of Schedule TOU-EV-2 will recover the same amount of costs as that recovered through Schedule A-1, since the eligibility to be on either schedule is less than 20 kW in monthly metered maximum demand. The design of Schedule TOU-EV-3 will recover the same amount of costs as that recovered through Schedule A-2. Schedules TOU-EV-2 and TOU-EV-3 will also contain a customer charge (\$/meter/day) to recover the costs of meters and service connections, although the amount of recovered costs would be the same as those under Schedules A-1 and A-2, respectively.

Eligibility for TOU-EV-3 will increase from monthly maximum demand not exceeding 500 kW to up to 1 MW. The expanded eligibility better aligns with the demand of charging stations being added to the BVES service territory.

**C. PROTEST PERIOD END DATE**

Although the protest period end-date or deadline typically is 30 days from the date of the filing of the application, as indicated in the GRC application, BVES will not object to any protest filed within 30 days of the filing date of this Supplement. Thus, any protest filed after 30 days from the filing date of this Supplement will be deemed untimely and not considered.

**D. CONCLUSION**

Bear Valley respectfully requests that the Commission issue an Order approving BVES's requests set forth in this Amendment and Supplement to Application, as well as its requests specifically described in subpart G – Prayer for Relief as set forth in Application 26-01-022.

Dated at Big Bear Lake, California: March 13<sup>th</sup>, 2026.

Respectfully submitted,

BY:           /s/ Sean Matlock          

**Sean Matlock**

Energy Resources Manager

Bear Valley Electric Service, Inc.

42020 Garstin Drive

P.O. Box 1547

Big Bear Lake, California 92315

Telephone: (909) 866-4678

Facsimile: (909) 866-5056

E-mail: [sean.matlock@bvesinc.com](mailto:sean.matlock@bvesinc.com)

**VERIFICATION**

I am President, Secretary and Treasurer of Bear Valley Electric Service, Inc., and am authorized to make this verification on its behalf with respect to the within Amendment and Supplement to Application. I have read the Amendment and Supplement to Application and supporting testimony and I am informed and believe that the matters therein are true, and on that ground, I allege that the matters stated therein are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 13th day of March, 2026, at Big Bear Lake, California.

By:           /s/ Paul Marconi            
Paul Marconi  
President, Secretary and Treasurer  
Bear Valley Electric Service, Inc.

**APPENDIX A**

**SERVICE LISTS**

## SERVICE LIST

AGNES ROBERTS, FINANCIAL ANALYST  
[AGNES.ROBERTS@BBCCSD.ORG](mailto:AGNES.ROBERTS@BBCCSD.ORG)  
EMAIL ONLY

CITY CLERK  
CITY OF BIG BEAR LAKE  
39707 BIG BEAR BLVD.  
P.O. BOX 10000  
BIG BEAR LAKE, CA 92315

CITY ATTORNEY  
CITY OF BIG BEAR LAKE  
39707 BIG BEAR BLVD.  
P.O. BOX 10000  
BIG BEAR LAKE, CA 92315

COUNTY CLERK  
COUNTY OF SAN BERNARDINO  
385 N. ARROWHEAD AVENUE – 2<sup>ND</sup> FLOOR  
SAN BERNARDINO, CA 92415-0140

COUNTY COUNSEL  
COUNTY OF SAN BERNARDINO  
385 N. ARROWHEAD AVENUE – 2<sup>ND</sup> FLOOR  
SAN BERNARDINO, CA 92415-0140

ASST ATTORNEY GENERAL  
OFFICE OF THE ATTORNEY GENERAL  
STATE OF CALIFORNIA  
300 SOUTH SPRING STREET  
LOS ANGELES, CA 90013

ERIC JANSSEN  
BIERING & BROWN, LLP  
2600 CAPITOL AVE., STE. 400  
SACRAMENTO, CA 95816-5905  
[EJANSSEN@B2ENERGYLAW.COM](mailto:EJANSSEN@B2ENERGYLAW.COM)

ANDY BROWN  
BIERING & BROWN, LLP  
2600 CAPITOL AVENUE, SUITE 400  
SACRAMENTO, CA 95812  
[ABROWN@B2ENERGYLAW.COM](mailto:ABROWN@B2ENERGYLAW.COM)

RICK REDIN  
BIG BEAR MOUNTAIN RESORT  
P. O. BOX 77  
BIG BEAR LAKE CA 92315  
[RREDIN@BBMR.COM](mailto:RREDIN@BBMR.COM)

PETER EICHLER  
LIBERTY UTILITIES  
2865 BRISTOL CIRCLE  
OAKVILLE, ONTARIO L6H 7H7  
[PETER.EICHLER@LIBERTYUTILITIES.COM](mailto:PETER.EICHLER@LIBERTYUTILITIES.COM)

MIKE LONG  
CALIFORNIA PACIFIC ELECTRIC CO., LLC  
933 ELOISE AVENUE  
SOUTH LAKE TAHOE, CA 96150  
[MIKE.LONG@LIBERTY-ENERGY.COM](mailto:MIKE.LONG@LIBERTY-ENERGY.COM)

RANDLE COMMUNICATIONS  
500 CAPITOL MALL, SUITE 1950  
SACRAMENTO, CA 95814

ITZIAR ROMO  
OPR COMMUNICATIONS  
19318 JESSE LANE, SUITE 200  
RIVERSIDE, CA 92508  
[IROMO@OPRUSA.COM](mailto:IROMO@OPRUSA.COM)

SOUTHERN CALIFORNIA EDISON CO.  
P. O. BOX 800  
ROSEMEAD, CA 91770

PATRICK O'REILLY  
OPR COMMUNICATIONS  
19318 JESSE LANE, SUITE 200  
RIVERSIDE, CA 92508  
[POREILLY@OPRUSA.COM](mailto:POREILLY@OPRUSA.COM)

NAVAL FACILITIES ENGINEERING COMMAND  
REA. D. ESTRELLA  
SOUTHWEST DIVISIONM  
1220 PACIFIC HIGHWAY  
SAN DIEGO, CA 92132  
[REA.ESTRELLA@NAVY.MIL](mailto:REA.ESTRELLA@NAVY.MIL)

DOWNEY BRAND LLP  
455 MARKET STREET, SUITE 1500  
SAN FRANCISCO, CA 94105  
[WCORDERO@DOWNEYBRAND.COM](mailto:WCORDERO@DOWNEYBRAND.COM)  
[TMACBRIDE@DOWNEYBRAND.COM](mailto:TMACBRIDE@DOWNEYBRAND.COM)  
[MDAY@DOWNEYBRAND.COM](mailto:MDAY@DOWNEYBRAND.COM)  
[WCORDERO@DOWNEYBRAND.COM](mailto:WCORDERO@DOWNEYBRAND.COM)

WILLIAM A. MONSEN  
MRW & ASSOCIATES, LLC  
1736 FRANKLIN STREET, SUITE 700  
OAKLAND, CA 94612  
[WAM@MRWASSOC.COM](mailto:WAM@MRWASSOC.COM)

FRED YANNEY, YANNEY  
ATTORNEY  
Yanney Law Office  
2082 Michelson Drive  
Irvine, CA 92612  
[FRED@YANNEY.LAW](mailto:FRED@YANNEY.LAW)

CINDY LI  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102  
[XIAN.LI@CPUC.CA.GOV](mailto:XIAN.LI@CPUC.CA.GOV)

ARLENE HERRERA  
OPR COMMUNICATIONS  
19318 JESSE LANE, SUITE 200  
RIVERSIDE, CA 92508  
[AHERRERA@OPRUSA.COM](mailto:AHERRERA@OPRUSA.COM)

LIBERTY UTILITIES  
9750 WASHBURN ROAD  
DOWNEY, CA 90241  
[ADVICELETTERSERVICE@LIBERTYUTILITIES.COM](mailto:ADVICELETTERSERVICE@LIBERTYUTILITIES.COM)

BRIAN T. CRAGG  
DOWNEY BRAND LLP  
455 MARKET STREET, SUITE 1500  
SAN FRANCISCO, CA 94105  
[BCRAGG@DOWNEYBRAND.COM](mailto:BCRAGG@DOWNEYBRAND.COM)

MICHELLE COOKE  
CHIEF ADMINISTRATIVE LAW JUDGE  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVE.  
SAN FRANCISCO, CA 94102  
[MICHELLE.COOKE@CPUC.CA.GOV](mailto:MICHELLE.COOKE@CPUC.CA.GOV)

STACEY HUNTER  
PROGRAM & PROJECT SUPERVISOR  
PUBLIC ADVOCATES OFFICE AT CPUC  
[STACEY.HUNTER@CPUC.CA.GOV](mailto:STACEY.HUNTER@CPUC.CA.GOV)

LEUWAM TESFAI  
DEPUTY EXECUTIVE DIRECTOR  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102  
[LEUWAN.TESFAI@CPUC.CA.GOV](mailto:LEUWAN.TESFAI@CPUC.CA.GOV)

LINDA SERIZAWA  
DIRECTOR, PUBLIC ADVOCATES OFFICE  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102  
[LINDA.SERIZAWA@CPUC.CA.GOV](mailto:LINDA.SERIZAWA@CPUC.CA.GOV)

DEPARTMENT OF GENERAL SERVICES  
PROCUREMENT DIVISION  
707 THIRD STREET, SECOND FLOOR  
WEST SACRAMENTO, CA 95605

STEPHEN P. DEITSCH  
CITY ATTORNEY OF BIG BEAR LAKE  
BEST BEST & KRIEGER LLP  
2855 E. GUASTI RD. SUITE 400  
ONTARIO, CA 91761  
[STEPHEN.DEITSCH@BBKLAW.COM](mailto:STEPHEN.DEITSCH@BBKLAW.COM)

## CALIFORNIA PUBLIC UTILITIES COMMISSION

### Service Lists

PROCEEDING: A2601022 - APPLICATION OF BEAR  
FILER: BEAR VALLEY ELECTRIC SERVICE, INC.  
LIST NAME: LIST  
LAST CHANGED: MARCH 5, 2026

---

### Parties

RITTA MERZA  
CALIF PUBLIC UTILITIES COMMISSION  
LEGAL DIVISION  
320 West 4th Street Suite 500  
Los Angeles, CA 90013  
FOR: PUBLIC ADVOCATES OFFICE  
INC.

FRED G. YANNEY  
ATTORNEY  
YANNEY LAW OFFICE  
2082 MICHELSON DRIVE, SUITE 100  
IRVINE, CA 92612  
FOR: BEAR VALLEY ELECTRIC SERVICE,

### Information Only

REGULATORY AFFAIRS  
BEAR VALLEY ELECTRIC SERVICE, INC.  
EMAIL ONLY  
EMAIL ONLY, CA 00000

SEAN MATLOCK  
ENERGY RESOURCES MANAGER  
BEAR VALLEY ELECTRIC SERVICE, INC.  
EMAIL ONLY  
EMAIL ONLY, AA 00000

JENNY CHEN  
MGR - REGULATORY

JON PIEROTTI  
VP - REGULATORY

GOLDEN STATE WATER COMPANY  
630 EASE FOOTHILL BLVD.  
SAN DIMAS, CA 91773

GOLDEN STATE WATER COMPANY  
630 E. FOOTHILL BOULEVARD  
SAN DIMAS, CA 91773-9016

PAUL MARCONI  
PRESIDENT, SECRETARY & TREASURER  
BEAR VALLEY ELECTRIC SERVICE, INC.  
42020 GARSTIN DRIVE / PO BOX 1547  
BIG BEAR LAKE, CA 92315

ENERGY SUPPLY SPECIALIST  
BEAR VALLEY ELECTRIC SERVICE  
42020 GARSTIN DRIVE, PO BOX 1547  
BIG BEAR LAKE, CA 92315-1547

TIFFANY IKEDA  
CALIF PUBLIC UTILITIES COMMISSION  
LEGAL DIVISION  
AREA  
505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3214

DAVID VAN DYKEN  
CALIF PUBLIC UTILITIES COMMISSION  
ADMINISTRATIVE LAW JUDGE DIVISION  
300 Capitol Mall  
Sacramento, CA 95814