PRELIMINARY STATEMENTS
Wildfire Mitigation Plan Memorandum Account

RR. Wildfire Mitigation Plan Memorandum Account (T)

This Wildfire Mitigation Plan Memorandum Account ("WMPMA") is established in accordance with Assembly Bill 1054, which was signed into law by the Governor of the State of California on July 12, 2019, amending Section 8386.4(a) of the California Public Utilities Code. Bear Valley Electric Service, Inc. ("BVES") shall maintain the WMPMA. The California Public Utilities Commission's Decision No. 19-05-040, dated May 30, 2019, authorized the establishment of the WMPMA.

A. PURPOSE

The purpose of the WMPMA is to record incremental costs incurred implementing BVES's approved Wildfire Mitigation Plan that are not otherwise covered in BVES's revenue requirements. Incremental costs may be recorded in sub-accounts to facilitate cost recovery.

B. APPLICABILITY

Incremental O&M and capital costs BVES expects to incur in implementing its approved Wildfire Mitigation Plan include, but are not limited to operational practices; inspections and patrol programs; system hardening and other wildfire mitigation capital programs; monitoring automation and system protection such as Supervisory and Data Acquisition (SCADA); and public safety power shutoffs.

BVES will record the carrying costs at its adopted rate of return for all new facilities costs in the WMPMA.

The WMPMA applies to all customer classes and rate schedules, except for those specifically excluded by the Commission.

C. RATES

The WMPMA does not have a rate component.

D. ACCOUNTING PROCEDURES

BVES maintain the WMPMA by making entries at the end of each month as follows:

1. A one-time debit entry to record the transfer of the WMP-related balance previously tracked in the FRMMA
2. A monthly debit entry shall be made to the WMPMA to record all incremental O&M costs
3. Amounts equal to the revenue requirement of each incremental capital expenditure and expense as if it were shareholder- funded (including return, income taxes, ad valorem tax, depreciation, and other taxes and fees)
4. Interest shall accrue to the expenses account in the WMPMA 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 H15, to the average of the beginning-of-month and the end-of month balances.

Please note: The prescribed Accounting Procedure will pertain to the WMP subaccounts, including but not limited to LiDar Survey, UAV Survey, Ground Patrol, Forester, Weather Consulting, Fire Prediction & Forecast, BV Power Plant, EH&S Technical Support, PSPS Outreach and Support prep.

E. EFFECTIVE DATE

The WMPMA shall be effective on June 6, 2019.

F. DISPOSITION

Disposition of amounts recorded in the WMPMA shall be determined in a subsequent general rate case or other rate setting filing.

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