PRELIMINARY STATEMENTS
BASE REVENUE REQUIREMENT BALANCING ACCOUNT

V. BASE REVENUE REQUIREMENT BALANCING ACCOUNT

Bear Valley Electric Service, Inc. ("BVES") shall maintain the Base Revenue Requirement Balancing Account ("BRRBA") as follows. (T)

1. PURPOSE:
The purpose of the BRRBA is to record the difference between BVES adopted Base Revenue Requirements and the recorded revenues from base rates.

2. APPLICABILITY
The BRRBA shall apply to all customers base rate revenues.

3. RATES
Base rates are electric rates and related adjustments. Adjustments are required to amortize under-collections or over-collection in the BRRBA as authorized by the Commission from time to time.

4. AUTHORIZED BASE RATE REVENUE REQUIREMENTS
BVES's authorized annual base rate revenue requirements for the years 2023, 2024, 2025, and 2026 as reflected in the Settlement Agreement approved by the Commission in D.25-01-007, and in addition reflect the annual revenue requirement for the approved capital projects in advice letter 509-E and 540-E, are set forth below: (C)

The annual revenue requirements are set forth below:	
Year	Annual Revenue Requirement
2023	$33,051,872
2024	$35,251,872
2025	$39,593,248
2026	$42,815,395

(I)

The authorized monthly revenue requirement shall be apportioned on a monthly basis using the following percentage allocation:

Sales MWh by Month	Month
Jan	10.66%
Feb	9.14%
Mar	8.54%
Apr	7.27%
May	7.00%
Jun	7.29%
Jul	8.06%
Aug	7.79%
Sep	7.29%
Oct	7.56%
Nov	8.44%
Dec	10.97%

(Continued)

PRELIMINARY STATEMENTS
BASE REVENUE REQUIREMENT BALANCING ACCOUNT

V. BASE REVENUE REQUIREMENT BALANCING ACCOUNT (continued)

5. ADJUSTMENTS TO THE REVENUE REQUIREMENT
The annual revenue requirement levels in Section 4 may be adjusted, if needed, by an update as a result of changes to BVES' allocation of GSWC's (i) General Office cost, (ii) common plant cost or (iii) employee pension and benefit costs, each as approved by the Commission in GSWC water operations application filed before the Commission, or by some other appropriate proceeding that establishes a new BVES base rate revenue requirement or an addition to the BVES base rate revenue requirement shown in Section 4. The annual revenue requirement levels in Section 4 also may be adjusted, if needed, by an update as a result of the disposition of balances in the Pension Balancing Account, or advice letter filings regarding the completion and placement into commercial operation of the (i) Radford Line (ii) the Switch and Field Device Automation Project and (iii) Maltby Substation Project. (C)

6. TRANSFERS AND ADJUSTMENTS TO THE BRRBA BALANCE
From time to time the Commission may find that an amortization of a base rate memorandum or balancing account it authorized has run for the required number of months but that there remains an unamortized over- or under- collected balance at the end of the amortization period. The unamortized balances for such accounts may be transferred to the balance in the BRRBA if the costs covered by the account are base rate related costs. Additionally, pursuant to Ordering Paragraph #11 of D.24-05-028, BVES will record any over- or under-collection of revenues by income-graduated fixed charges as a separate line-item.

7. ACCOUNTING PROCEDURES:
BVES shall maintain the BRRBA by making entries at the end of each month as follow:

a. Recorded monthly base rate revenues.
b. Apportioned monthly allocation of the authorized annual base rate revenue requirement as described in Section 4.
c. Total net BRRBA balance: 7.a. minus 7.b.
d. BVES shall apply interest to the average net balance in the BRRBA account at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month as reported in the Federal Reserve Statistical Release, H.15, or its successor publication. Accumulated interest will be included in the amount on which interest is charged, but will be identified as a separate component of the BRRBA account.

8. EFFECTIVE DATE
As reflected in the Settlement Agreement approved by the Commission in D.25-01-007, the revenue requirements for 2023, 2024, 2025, and 2026 are effective as of January 1, 2023, January 1 2024, January 1, 2025, and January 1, 2026, respectively.

9. ACCOUNT DISPOSITION
The disposition of the balance in the BRRBA at the close of each year, plus any transfers or adjustments authorized to be made to the BRRBA, will be addressed by BVES in a Tier 2 Advice Letter filing if the amount of the under- or over-collection is equal to or greater than 5% of the revenue requirement established for the previous twelve months. Should such a trigger be met, BVES may file the required advice letter with the necessary amortization charge expected to amortize the balance over the next twelve months.