

GENERAL RATE CASE

**Electric Rates & Infrastructure
Investments for 2018, 2019,
2020, 2021 and 2022**



DEAR VALUED CUSTOMER,

Bear Valley Electric Service (BVES) has been powering the Big Bear community for more than 90 years with an unwavering commitment to provide customers with reliable and affordable electric service.

BVES' General Rate Case (GRC) was approved by the State of California on Aug. 15, 2019, to set electric rates for years 2018-22 and authorize proposed infrastructure investments for the electric grid. Electric rates and infrastructure investments are closely related, as investments to protect the reliability of the grid are a key driver of rates.

Effective Sept. 30, 2019, electric rates for residential customers were reduced by approximately 8.19 percent. This rate reduction was the result of a settlement agreement and close collaboration between BVES and the City of Big Bear to lower rates, proactively address wildfire mitigation programs and implement capital projects to improve grid safety and reliability.

If you have any questions, please visit our website at BVES.com or call us anytime at (800) 808-2837.

On behalf of everyone at BVES, thank you for being a valued customer.

Sincerely,

Paul Marconi
Director
Bear Valley Electric Service

ELECTRIC RATES

BVES delivers safe and reliable electric service 24 hours a day, 7 days a week, to approximately 24,500 customers in the Big Bear Valley, including Big Bear Lake, Big Bear City, Fawnskin, Erwin Lake, Moonridge, Sugarloaf, Lake Williams and Baldwin Lake.

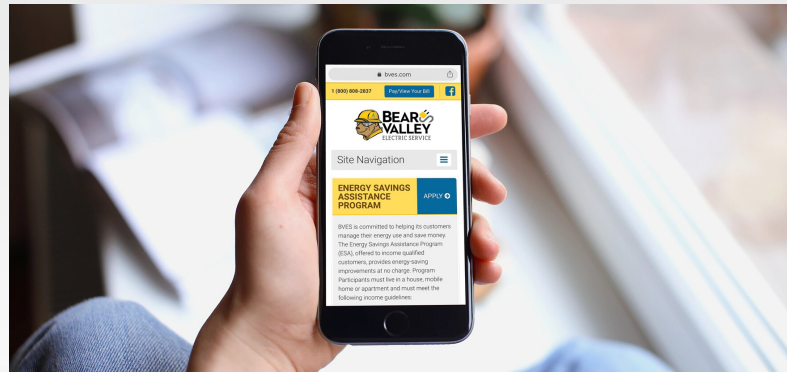
Effective Sept. 30, 2019, an average residential electric customer will see a monthly savings of more than \$5.50 on their bill:



A regular **residential single family** using 350 kWh per month would see a monthly bill decrease of \$5.58, or 8.19 percent, from \$68.11 to \$62.53.



A regular **residential single family enrolled in the California Alternative Rates for Energy (CARE) Program** using 350 kWh per month would see a monthly bill decrease of \$4.55, or 8.48 percent, from \$53.64 to \$49.09.





HOW ELECTRIC RATES ARE SET

BVES is regulated by the State of California to ensure rates are reasonable and reflect the full cost to provide electric service, maintain the infrastructure and make needed system improvements.

Every four to five years, BVES is required to file a GRC with the State of California to propose a rate structure that recovers the revenue needed to meet operating expenses and necessary infrastructure improvements over a five-year period. BVES filed its GRC application for the years 2018-22 on May 1, 2017.

The GRC process is thorough and includes oversight from the Public Advocates Office, an independent organization within the California Public Utilities Commission that scrutinizes the filing on behalf of customers. Customers have several opportunities to participate in the GRC process by attending Public Participation Hearings and/or testifying in a public proceeding before an Administrative Law Judge.

BENEFIT TO CUSTOMERS

BVES is going beyond state-mandated safety standards to reduce the likelihood of wildfires affecting our community and customers. We employ proactive maintenance programs to ensure the infrastructure in our grid can safely deliver power to customers, day and night.

KEY PROJECTS

Following are summaries of key approved projects:

- **Pole Loading and Assessment Remediation Program.** BVES is increasing the number of power poles it evaluates each year to 2,000 to ensure that potential pole failures are identified and addressed at a faster rate.
- **Increased Minimum Clearance Zone.** BVES will cut back trees and limbs to a minimum radial clearance of 72 inches from conductors.
- **Overhead Line Predictive Maintenance.** BVES is identifying locations in overhead lines that are at-risk of failure via infrared sensors and will continue to do so year by year.
- **Tree Attachment Removal.** BVES is removing all tree attachments, pieces of electrical infrastructure fastened to trees for support.
- **Electrical Preventative Maintenance Program.** BVES is expediting its infrastructure replacement program to reduce the risk of aging infrastructure and decrease the occurrence of sustained outages using modern technologies such as LiDAR.
- **Bear Valley Power Plant Upgrades.** BVES will install an engine system manager and enhanced closed-crankcase breather system at the Bear Valley Power Plant to increase the reliability and life expectancy of the plant.
- **Grid Automation Project.** BVES intends to improve reliability and maintenance of the grid by installing real-time monitoring and control equipment.
- **Pine Knot Substation Upgrade.** BVES is converting the substation from an overhead-type to an underground and pad-mount design. Old equipment will be replaced, and the capacity of the substation will be increased. This will enhance the safety and reliability of the substation and BVES' distribution system as a whole.

