

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 6, 2019

Advice Letter 364-E

Nguyen Quan
Manager, Regulatory Affairs
Golden State Water Company
630 East Foothill Boulevard
San Dimas, CA 91773

Subject: Wildfire Mitigation Plan Implementation Memorandum Account

Dear Mr. Quan:

Advice Letter 364-E is effective as of June 06, 2019.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Bear Valley Electric Service (913-E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Nguven Ouan
 Phone #: (909) 394-3600 x664
 E-mail: nquan@gswater.com
 E-mail Disposition Notice to: nquan@gswater.com

EXPLANATION OF UTILITY TYPE
 ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 364-E

Tier Designation: 1

Subject of AL: Establish the Wildfire Mitigation Plan Implementation Memorandum Account in Accordance with Commission Decision No. 19-05-040

Keywords (choose from CPUC listing): Memorandum Account

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision No. 19-05-040

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 5/31/19

No. of tariff sheets: 2

Estimated system annual revenue effect (%): 0.0

Estimated system average rate effect (%): 0.0

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement, Table of Contents P.1

Service affected and changes proposed¹: See Advice Letter

Pending advice letters that revise the same tariff sheets: None

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Nguyen Quan
Title: Regulatory Affairs Manager
Utility Name: Bear Valley Electric Service
Address: 630 E. Foothill Blvd.
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 394-3600 x 664
Facsimile (xxx) xxx-xxxx: (909) 394-7427
Email: nquan@gswater.com

Name: Ronald Moore
Title: Senior Regulatory Analyst
Utility Name: Bear Valley Electric Service
Address: 630 E. Foothill Blvd.
City: San Dimas State: California
Telephone (xxx) xxx-xxxx: (909) 394-3600 x 682
Facsimile (xxx) xxx-xxxx: (909) 394-7427
Email: rkmoore@gswater.com



June 6, 2019

Advice Letter No. 364-E

(U 913 E)

California Public Utilities Commission

Golden State Water Company ("GSWC") hereby transmits one original and two conformed copies of the following tariff sheets applicable to its Bear Valley Electric Service ("BVES") operations:

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>CPUC Sheet No.</u>
Original No. 2662-E	Preliminary Statements Part RR	
Revised No. 2663-E	Table of Contents Page 1 of 3	Revised No. 2661-E

SUBJECT: *Wildfire Mitigation Plan Implementation Memorandum Account*

PURPOSE

In accordance with the California Public Utilities Commission's Decision No. ("D.") 19-05-040 Golden State Water Company ("GSWC"), doing business as Bear Valley Electric Service ("BVES") hereby submits its Advice Letter 364-E to establish the Wildfire Mitigation Plan Implementation Memorandum Account ("WMPIMA"), effective May 31, 2019, the day immediately following the issuance date of the D.19-05-040, which authorized the establishment of the WMPIMA and approving Bear Valley Electric Service's wildfire mitigation plan.

BACKGROUND

On September 21, 2018, the Governor of the State of California signed into law SB 901. Among other things, SB 901 establishes measures to help combat wildfires in the state of California. SB 901 outlines the requirements of the Wildfire Mitigation Plans to be submitted by California electric corporations to the Commission.

SB 901 also authorizes electric corporations to establish two memorandum accounts to record costs incurred to mitigate wildfire risk. The first authorized memorandum account, the FRMMA, tracks costs incurred for fire risk mitigation that are not otherwise covered in BVES's revenue requirement.¹ On November 6, 2018, GSWC filed Advice Letter No. 352-E, to establish the Fire Risk Mitigation Memorandum Account. Advice Letter 352-E was approved with an effective date of January 1, 2019.

¹ See PU Code Section 8386(j) (effective January 1, 2019).

GSWC is filing Advice Letter No. 364-E in compliance with D. 19-05-040 to establish the second memorandum account ordered on SB 901. The purpose of the WMPIMA will be to track costs incurred to implement the plan. The WMPIMA is approved and activated, GSWC would stop recording costs for work approved in its Wildfire Mitigation Plan to the FRMMA and, instead, would record any costs not included in rates to the WMPIMA. The FRMMA would remain open to record costs of any additional wildfire mitigation activities not included in the approved Wildfire Mitigation Plan.

WMPIMA AND ELIGIBILITY

The purpose of the WMPIMA is to track the implementation costs incurred for the Commission-approved fire risk mitigation plan that are not otherwise in BVES's revenue requirement. These costs shall include, but are not limited to, expenses and capital expenditures for increased inspections and patrols; system hardening and infrastructure modernizing, such as fuse upgrades, replacement of line with covered conductors; expanded monitoring automation and system protection such as Supervisory and Data Acquisition (SCADA); improved situational awareness and wildfire detection such as installation of weather stations; enhanced capacity to respond to events and incidents, including animal incidents; and vegetation management activities.

COMPLIANCE

Ordering Paragraph No. 21 in D.19-05-040 authorizes GSWC to establish the WMPIMA.

MEMORANDUM ACCOUNT TREATMENT

GSWC is aware that a memorandum account is not a guarantee of eventual recovery of expenses, nor is it carried as a regular account under the uniform system of accounts for water utilities. It is carried "off the books", as a memorandum account. Further, it is also known that Commission policy on memorandum account treatment has always been that the burden of proof of the reasonableness of expenses charged to the account is the responsibility of the utility requesting reimbursement of such expenses.

REVISIONS TO PRELIMINARY STATEMENT

Pursuant D.19-05-040, GSWC proposes to revise its Preliminary Statements to include Part RR, Wildfire Mitigation Plan Implementation Memorandum Account.

TIER DESIGNATION AND EFFECTIVE DATE

This advice letter is submitted with a Tier 1 designation and shall be effective on May 31, 2019.

No individuals or utilities have requested notification of filing of tariffs. Distribution of this Advice Letter is being made to the attached service list in accordance with General Order No. 96-B. This advice letter will also be served on the service list for R.18-10-007.

NOTICE AND PROTESTS

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter. A response is a document that does not object to the authority

sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

A protest must be mailed within 20 days of the date the CPUC accepts the advice letter for filing. The Calendar is available on the CPUC's website at www.cpuc.ca.gov.

A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter. The utility must respond to a protest with five days.

All protests and responses should be sent to:

California Public Utilities Commission, Energy Division

ATTN: Tariff Unit

505 Van Ness Avenue

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

Copies of any such protests should be sent to this utility at:

Golden State Water Company

ATTN: Nguyen Quan

630 East Foothill Blvd.

San Dimas, CA 91773

Fax: 909-394-7427

E-mail: nquan@gswater.com

If you have not received a reply to your protest within 10 business days, contact Nguyen Quan at (909) 394-3600 ext. 664.

CORRESPONDENCE

Any correspondence regarding this compliance filing should be sent by regular mail or e-mail to the attention of:

Nguyen Quan

Manager, Regulatory Affairs

Golden State Water Company

630 East Foothill Blvd.

San Dimas, California 91773

Email: nquan@gswater.com

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

Sincerely,

/s/Nguyen Quan

Nguyen Quan

Manager, Regulatory Affairs

c: Edward Randolph, Director, CPUC - Energy Division
Franz Cheng, Energy Division
R. Mark Pocta, Cal PA
BVES General Order 96-B Service List
R.18-10-007 Service List

Preliminary Statements
Wildfire Mitigation Plan Memorandum Account

RR. Wildfire Mitigation Plan Memorandum Account

(N)

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. Golden State Water Company ("GSWC") shall maintain the WMPMA for its BVES division. 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 the Commission-approved Wildfire Mitigation Plan that are not otherwise covered in BVES's revenue requirement.

B. APPLICABILITY

Incremental O&M costs GSWC expects to incur include, but are not limited to the following:

- Increased inspections and patrols;
- Expanded monitoring automation and system protection such as Supervisory and Data Acquisition (SCADA)

GSWC will record the carrying costs at its adopted rate of return for all new facilities costs in the WMPMA. New facilities include, but are not limited to the following:

- System hardening and infrastructure modernizing, such as fuse upgrades, replacement of line with covered conductors;
- Installation of weather stations

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

GSWC shall 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 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.

E. EFFECTIVE DATE

The WMPMA shall be effective on June 6, 2019.

F. DIPOSITION

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

(N)

Table of Contents

The following tariff sheets contain all effective rates and rules affecting rates and service of the utility, together with information relating thereto:

<u>Subject Matter of Sheet</u>	<u>Sheet No.</u>
Title Page	1441-E
Table of Contents	2663-E, 2660-E, 2397-E (T)
Preliminary Statements	935-E, 1590-E*, 1591-E*, 2381-E*, 2382-E*, 1594-E*, 1595-E*, 1596-E*, 1597-E*, 2176-E, 2177-E, 2598-E, 2179-E, 2180-E, 2602-E, 2603-E*, 1604-E*, 1605-E*, 1606-E*, 1607-E*, 1608-E*, 1609-E*, 1610-E*, 1611-E*, 1650-E, 1612-E*, 2201-E, 2440-E, 2441-E, 2515-E, 1926-E, 1928-E, 1929-E, 1946-W, 2028-E, 2032-E, 2034-E, 2489-E, 2490-E, 2483-E, 2484-E, 2485-E, 2486-E, 2487-E, 2174-E, 2175-E, 2443-E, 2444-E, 2463-E, 2554-E, 2565-E, 2600-E, 2612-E, 2633-E, 2651-E, 2653-E, 2662-E (C)
Tariff Area Map	1140-E
 Rate Schedules:	
No. A-1 General Service	2635-E, 1836-E
No. A-2 General Service	2636-E, 1838-E
No. A-3 General Service	2637-E, 1840-E
No. A-4 General Service- TOU	2638-E, 1842-E, 1843-E
No. A-5 TOU Primary	2639-E, 1845-E, 1846-E
No. A-5 TOU Secondary	2640-E, 1848-E, 1849-E
No. D Domestic Service - Single-family Accommodation	2641-E, 1851-E, 1852-E
No. DE Domestic Service to Company Employees	2642-E, 1854-E
No. D-LI Domestic Service - CARE Rate	2643-E, 2517-E, 1857-E, 1858-E
No. DM Domestic Service - Multi-family Accommodation	2644-E, 1860-E, 1861-E
No. DMS Domestic Service - Multi-family Accommodation Sub-metered	2624-E, 2645-E, 1864-E
No. DO Domestic Service - Other	2646-E, 1866-E
No. NEM-L Net Energy Metering- Large	1931-E, 1932-W, 1933-E, 1934-E, 1935-E
No. NEM-S Net Energy Metering- Small	1936-E, 1937-E, 1938-E, 1939-E, 1940-E
No. GSD General Service Demand - Camp Oaks	2647-E, 1868-E
No. SL Street Lighting Service	2648-E, 1870-E
No. SSC Special Service Charges	2157-E, 2158-E
No. S Standby Standby Service	2159-E, 2160-E, 2161-E
No. SMO Smart Meter Opt-Out Residential Service	2445-E
No. PPC-LI Public Purpose Charge-Low Income	2596-E
No. PPC-OLI Public Purpose Charge-Other Than Low Income	2597-E
No. UF-E Surcharge to Fund PUC Utilities Reimbursement Account Fee	2649-E
No. TOU-EV-1 General Service Time of Use Electric Vehicle Charging	2605-E, 2606-E
No. TOU-EV-2 General Service Time of Use Electric Vehicle Charging	2607-E, 2608-E
No. TOU-EV-3 General Service Time of Use Electric Vehicle Charging	2609-E, 2610-E
Contracts and Deviations	888-E
 Rules:	
No. 1 Definitions	1114-E, 1115-E, 1116-E, 1117-E, 1118-E, 1119-E, 1120-E, 1121-E, 1122-E, 1123-E, 1124-E, 1125-E, 1126-E, 1127-E, 1877-E, 1129-E, 1130-E
No. 2 Description of Service	594-E, 595-E, 596-E, 597-E, 598-E, 599-E, 600-E, 601-E, 602-E, 603-E
No. 3 Application for Service	950-E, 951-E
No. 4 Contracts	604-E
No. 5 Special Information Required on Forms	2556-E, 2557-E, 2558-E
No. 6 Establishment and Re-establishment of Credit	608-E, 1878-E
No. 7 Deposits	2162-E
No. 8 Notices	611-E
No. 9 Rendering and Payment of Bills	2163-E
No. 10 Disputed Bills	2559-E, 2560-E
No. 11 Discontinuance and Restoration of Service	580-E, 581-E, 582-E, 1002-E, 2511-E, 2512-E, 2513-E
No. 12 Rates and Optional Rates	612-E, 613-E
No. 13 Temporary Service	614-E, 615-E
No. 14 Shortage of Supply and Interruption of Delivery	616-E
No. 15 Distribution Line Extensions	2103-E, 2104-E, 2105-E, 2106-E, 2107-E, 2108-E, 2109-E, 2110-E, 2111-E, 2112-E, 2113-E, 2114-E, 2115-E, 2116-E

(Continued)

Advice Letter No. <u>364-E</u> Decision No. <u>19-05-040</u>	Issued By R. J. Sprowls President	Date Filed <u>June 7, 2019</u> Effective <u>June 6, 2019</u> Resolution No. _____
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GOLDEN STATE WATER COMPANY

G.O. 96-B
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