



April 13, 2011

Advice Letter No. 252-E

(U 133 E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Golden State Water Company ("GSWC") hereby transmits for filing an original and six copies of the following tariff sheets applicable to its Bear Valley Electric Service ("BVES") District:

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 1917-E	Preliminary Statement - L Purchased Power Adjustment Clause Page 1	Original No. 1884-E
Revised No. 1918-E	Table of Contents Page 1 of 2	Revised No. 1915-E

Subject: Accounting Method for Proceeds from the Sale of Renewables Energy Credits

PURPOSE

In accordance with Decision No. ("D.") 11-01-025, GSWC is proposing to modify its Preliminary Statement, Part L, Purchased Power Adjustment Clause ("PPAC") Balancing Account to include a provision for the proceeds from the sale of Renewables energy credits. The California Public Utilities Commission ("Commission"), in D. 11-01-025, ordered investor-owned utilities to propose an accounting method to apply proceeds from the sale of renewable energy credits. Specifically, Ordering Paragraph No. 23 states,

23. Investor-owned utilities shall promptly set up an appropriate accounting method to apply proceeds of the sale of renewable energy credits for the benefit of ratepayers. Any investor-owned utility not currently having an appropriate accounting method shall file an advice letter within 90 days of the effective date of this decision proposing an accounting method.

D. 11-01-025 was signed and became effective on January 13, 2011. As such, the compliance date for this advice letter is April 13, 2011.

BACKGROUND

On March 15, 2010, The Commission issued D.10-03-021, with an effective date of March 11, 2010. This decision authorized the procurement and use of tradable renewable energy credit ("TRECs") for compliance with the California Renewables portfolio standard ("RPS") program. It also delineates the structure and rules for a TREC market and for the integration of TRECs into the RPS flexible compliance system.

On April 12, 2010, Southern California Edison Company ("SCE"), Pacific Gas and Electric Company ("PG&E"), and San Diego Gas & Electric Company ("SDG&E") filed the Joint Petition of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company for Modification of D.10-03-021 (utility petition). Filed with the utility petition were the Joint Motion of Southern California Edison Company, Pacific Gas and Electric Company and San Diego Gas & Electric Company to Shorten Time to Respond to Petition for Modification of Decision 10-03-021 and for an Expedited Decision and the Motion of Southern California Edison Company and San Diego Gas & Electric Company for Stay of Decision 10-03-021 (joint stay motion).

Responses to the joint stay motion were filed April 21, 2010. SCE filed a reply to the responses to the joint stay motion on April 23, 2010. In D.10-05-018, the Commission stayed D.10-03-021 on its own motion, pending the resolution of the two petitions for modification. D.10-05-018 also instituted a temporary moratorium on approval of any RPS procurement contracts for compliance with the RPS signed after May 6, 2010 (the effective date of the stay decision) that would be defined under D.10-03-021 as transactions transferring only renewable energy credits ("RECs").

On January 13, 2011, the Commission issued D. 11-01-025, which resolved the two petitions for modification of D. 10-03-021, which authorizes the procurement and use of TRECs for compliance with the California RPS program. D.10-03-021 also sets forth the structure and rules for a TREC market and for the integration of TRECs into the RPS flexible compliance system. This decision denies the Joint Petition of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company for Modification of Decision 10-03-021, with the exception of one suggested technical correction to D.10-03-021. This decision also denies the Petition of the Independent Energy Producers Association for Modification of Decision 10-03-021 Authorizing Use of Renewable Energy Credits for RPS Compliance. Further, because D. 11-01-025 resolves the two petitions for modification of D.10-03-021, the stay of D.10-03-021 imposed in D.10-05-018 is no longer necessary. The stay is therefore lifted. Similarly, the moratorium on Commission approval of certain RPS contracts imposed in D.10-05-018 is no longer relevant, and is ended.

This Advice Letter is filed in compliance with Ordering Paragraph No. 23 in D. 11-01-025.

EXISTING RATES

The existing base rates in BVES became effective on January 1, 2011, via Advice Letter 245-E.

TIER DESIGNATION

This advice letter is being filed with a Tier 2 designation.

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: Honesto Gatchalian (jnj@cpuc.ca.gov) or Maria Salinas (mas@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.

A copy of this advice letter is being furnished to the entities listed on the service list for A.08-06-034.

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,

A handwritten signature in blue ink, appearing to read 'Nguyen Quan', with a stylized flourish at the end.

Nguyen Quan

Manager, Regulatory Affairs

Cc: Julie Fitch, Director, CPUC - Energy Division
R. Mark Pocta, DRA

PRELIMINARY STATEMENTS

(Continued)

L. PURCHASED POWER ADJUSTMENT CLAUSE

1. The purpose of the Purchased Power Adjustment Clause is to reflect in rates the utility's cost of purchased electricity, purchased fuel, and proceeds from the sale of renewable energy credits . (N)
2. The monthly charges for service otherwise applicable under each of the utility's rate schedule shall include an adjustment to reflect a) the Power System Delivery Charge, b) the Energy Charge for Purchases and c) the Amortization Charge.
 - a. The Power System Delivery Charge shall include the most recently adopted estimate of costs to the utility for Transmission Service, the most recently adopted estimate of costs to the utility for Capacity, and the most Recently adopted estimate of costs for Ancillary Services, which include the Costs for system protection services, line losses and energy imbalance Services. These charges shall be expressed in terms of cents per kilowatt-hour or dollars per kilowatt, depending upon the nature of the charge and the applicable rate schedule.
 - b. The Energy Charge for Purchases shall include the most recently adopted estimate of the costs to the utility of purchasing electricity and fuel, expressed in terms of cents per kilowatt-hour and dollars per MMBtu (millions of btus), respectively.
 - c. The Amortization Charge shall reflect the most recently adopted over or under collection in the Balancing Account, expressed in terms of cents per kilowatt-hour.
3. A Balancing Account shall be maintained to record the difference between the accumulated revenue billed through the Purchased Power Adjustment Clause and the accumulated accrued costs of purchased electricity and purchased fuel. Monthly entries to the Balancing Account will be determined from the following calculations:
 - a. Purchased Power Adjustment Clause revenue billed during the month;
 - b. Less than adjustment of 1.429 percent to reflect the adopted rate for franchise fees and uncollectibles;
 - c. Less the accrued costs for purchasing energy, capacity, transmission service and related ancillary services;
 - d. Less the accrued cost for purchasing fuel, fuel transportation, and related ancillary services;
 - e. Plus any refunds for purchased electricity and/or purchased fuel costs previously reflected in the balancing account;
 - f. Plus or minus interest expense, depending upon whether there is an under-collection or over-collection. Such interest shall be calculated based upon the average of the beginning and ending monthly balance in the Balancing Account multiplying by the 90-day commercial paper rate for the month.
 - g. Less an adjustment, if any, for the direct payment of refunds to customers.
 - h. Less any proceeds from the sale of renewables credits (N)
 - i. The accumulated accrual cost of purchased electricity and purchased fuel shall be trued-up on a monthly basis.

If the above calculation produces a positive amount (over-collection), such amount shall be credited to the Balancing Account. If the calculation produces a negative amount (under-collection), such amount shall be debited to the Balancing Account.

4. The utility may make periodic Advice filings to revise the Amortization Charge to reflect the most current status of the Balancing Account.
5. Not more often than once per year, the utility may file an Application to revise the components of the Purchase Power Adjustment Clause to reflect the most current estimates of it's purchased electricity and purchased fuel costs.

GOLDEN STATE WATER COMPANY

630 E. FOOTHILL BLVD. - P.O. BOX 9016

SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 1918-ECanceling Revised Cal. P.U.C. Sheet No. 1915-ETABLE OF CONTENTS

Page 1 of 2

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	1918-E, 1882-E (T)
Preliminary Statements	935-E, 1429-E, 1206-E, 1207-E, 1208-E, 1209-E, 971-E, 953-E, 1067-E, 1068-E, 1371-E, 1426-E, 1427-E, 1473-E, 1563-E, 1577-E, 1590-E*, 1591-E*, 1592-E*, 1593-E*, 1594-E*, 1595-E*, 1596-E*, 1597-E*, 1598-E*, 1599-E*, 1600-E*, 1917-E, 1602-E*, 1603-E*, 1604-E*, 1605-E*, 1606-E*, 1607-E*, 1608-E*, 1609-E*, (C) 1610-E*, 1611-E*, 1612-E*, 1613-E*, 1614-E*, 1650-E, 1652-E, 1874-E, 1875-E, 1833-E
Tariff Area Map	1140-E
Rate Schedules:	
No. A-1 General Service	1901-E, 1836-E
No. A-2 General Service	1902-E, 1838-E
No. A-3 General Service	1903-E, 1840-E
No. A-4 General Service- TOU	1904-E, 1842-E, 1843-E
No. A-5 TOU Primary	1905-E, 1845-E, 1846-E
No. A-5 TOU Secondary	1906-E, 1848-E, 1849-E
No. D Domestic Service - Single-family Accommodation	1907-E, 1851-E, 1852-E
No. DE Domestic Service to Company Employees	1908-E, 1854-E
No. D-LI Domestic Service - CARE Rate	1909-E, 1856-E, 1857-E, 1858-E
No. DM Domestic Service - Multi-family Accommodation	1910-E, 1860-E, 1861-E
No. DMS Domestic Service - Multi-family Accommodation Sub-metered	1911-E, 1896-E, 1864-E
No. DO Domestic Service - Other	1912-E, 1866-E
No. NEM-L Net Energy Metering- Large	1796-E, 1797-E, 1798-E, 1799-E
No. NEM-S Net Energy Metering- Small	1800-E, 1801-E, 1802-E, 1803-E
No. RET Water Agency Renewables energy Service	1732-E*, 1733-E*, 1734-E*
No. GSD General Service Demand - Camp Oaks	1913-E, 1868-E
No. SL Street Lighting Service	1914-E, 1870-E
No. SSC Special Service Charges	1871-E
No. UF-E Surcharge to Fund PUC Utilities Reimbursement Account Fee	1872-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	605-E, 606-E, 607-E
No. 6 Establishment and Re-establishment of Credit	608-E, 1878-E
No. 7 Deposits	1879-E
No. 8 Notices	611-E
No. 9 Rendering and Payment of Bills	576-E, 577-E
No. 10 Disputed Bills	578-E, 579-E
No. 11 Discontinuance and Restoration of Service	580-E, 581-E, 582-E, 1002-E, 584-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	1005-E, 1006-E, 1007-E, 1008-E 1009-E, 1010-E, 1011-E, 1012-E 1013-E, 1014-E, 1015-E, 1016-E 1017-E

(Continued)

Advice Letter No. 252-E
Decision No. 11-01-025

Issued by
R. J. Sprowls
President

Date Filed April 13, 2011
Effective Date May 12, 2011
Resolution No. _____

GOLDEN STATE WATER COMPANY

DISTRIBUTION LIST

BEAR VALLEY ELECTRIC DIVISION

Big Bear City Community Services Dist
P. O. Box 558
Big Bear City, CA 92314

City Clerk
City of Big Bear Lake
P. O. Box 2800
Big Bear Lake, CA 92315

City Attorney
City of Big Bear Lake
P. O. Box 2800
Big Bear Lake, CA 92315

County Clerk
County of San Bernardino
385 N. Arrowhead Ave., 2nd Floor
San Bernardino, CA 92415-0140

County Counsel
County of San Bernardino
385 N. Arrowhead Ave., 4th Floor
San Bernardino, CA 92415-0140

Dave Morse, Project Manager
216 F Street #53
Davis, CA 95616
demorse@omsoft.com

Rod Larson
939 Apache Drive
Prescott, AZ 86303
rod.larson@sbcglobal.net

Brent Tregaskis
Bear Mountain Resort
PO Box 77
Big Bear Lake, CA 92315