



October 12, 2017

Advice Letter No. 330-E

("U 913 E")

California Public Utilities Commission

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

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Original No. 2443-E	Preliminary Statement Part FF, Bear Valley Electric Service Smart Meter Opt-Out Balancing Account	
Original No. 2444-E	Preliminary Statement Part FF, Bear Valley Electric Service Smart Meter Opt-Out Balancing Account (Continued)	
Original No. 2445-E	Schedule No. SMO Smart Meter Opt -Out Residential Service	
Revised No. 2446-E	Table of Contents Page 1 of 2	Revised No. 2442-E

SUBJECT: Establishment of the BVES Smart Meter Opt-Out Balancing Account Preliminary Statement, Part FF and create a new tariff schedule for Smart Meter Opt -Out Residential Service (Schedule No. SMO).

PURPOSE

The purpose of this filing is to request California Public Utilities Commission ("Commission") authority to establish a BVES Smart Meter Opt-Out Balancing Account as a result of BVES customers requesting an opt-out option from a wireless smart meter system. In addition, BVES requests the authority to establish Schedule No. SMO, to implement the fee and monthly charge for the opt-out residential service.

Pursuant to Industry Rule 8.2 (Request for Similar Treatment) of General Order 96-B, GSWC is requesting similar treatment afforded to Pacific Gas & Electric ("PG&E"), San Diego Gas & Electric ("SDG&E") and Southern California Edison ("SCE"), collectively known as "Large IOUs" in Decision No. ("D.") 14-12-078 and Resolution No. E-4723.

BACKGROUND

In D.12-02-014, D.12-04-018 and D.12-04-019 (Phase I Decision), the Commission modified the Large IOUs smart meter programs to include an opt-out option for residential customers who do not wish to have a wireless smart meter installed at their location. In these decisions, the Commission authorized the Large IOUs to: a) levy interim fees and monthly charges to customers who opt-out of smart meter service to cover costs of the program; and b) to establish memorandum accounts to track the revenues and costs associated with providing the opt-out choice.

In D.14-12-078 (Phase II Decision), issued on December 23, 2014, the Commission authorized the Large IOUs to: a) recover actual costs associated with providing the opt-out option up to a cap; b) to establish initial fee and monthly charge for residential customers selecting the opt-out option. The monthly charge shall be collected for a period of three years from the date the customer chooses to opt-out; c) to transfer the amounts recorded in the memorandum account authorized in the Phase I Decision to a two-way balancing account for cost recovery. The balancing account records the amount of revenue collected from the opt-out customers, as compared to the recorded costs of opt-out service. "Exit costs" are excluded from the balancing account; and d) the Large IOUs shall provide a summary of costs and revenues collected in the opt-out program in the next available GRC.

On September 17, 2015, the Commission issued Resolution No. E-4723 directing the Large IOUs to exclude specific costs from the smart meter opt-out balancing account and to implement bi-monthly meter reading of all-analog meters, or in certain situations non-analog meters.

The Commission had authorized BVES to replace analog meters and to install the technically simpler Automated Meter Reading ("AMR") system, which is a one-way meter that can broadcast wirelessly readings of customer energy usage to BVES staff driving by.¹ Unlike the Large IOUs, BVES has not installed in its service area the Advanced Metering Infrastructure ("AMI"), which are truly two-way smart meters. BVES is in the process of enhancing the AMR system by installing "bridge meters" that can convert the current one-way metering system into a partial two-way smart metering system. However, this improved system cannot provide Time-of-Use service to BVES residential customers.

¹ In D.09-10-028 the Commission authorized BVES to slow down the installation of AMRs

BVES has recently received a number of customers who want to opt-out of this wireless smart meter system. Therefore, BVES requests Commission authority to establish a two-way balancing account to record the amount of revenue collected from opt-out customers, as compared to the recorded costs of opt-out service. In D. 14-12-078, the Commission authorized the creation of the balancing account by a Tier 1 advice letter filing.

TIER DESIGNATION

GSWC is filing this Advice Letter with a Tier 1 designation.

EFFECTIVE DATE

BVES respectfully requests this Advice Letter become effective November 1, 2017.

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.

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

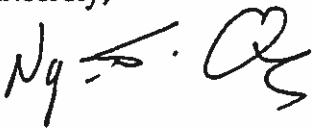
630 East Foothill Blvd.

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,

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

Nguyen Quan

Manager, Regulatory Affairs

Cc: Edward Randolph, Director, CPUC – Energy Division
James Loewen, Energy Division
R. Mark Pocta, ORA

(N)

PRELIMINARY STATEMENTS

(Continued)

FF Bear Valley Electric Service Smart Meter Opt-Out Balancing Account (BSOBA)

1. **Purpose:** The purpose of Bear Valley Electric Service (BVES) Smart Meter Opt-Out Balancing Account (BSOBA) is to record the difference between revenues collected from opt-out customers through Commission-authorized fees and charges and costs incurred related to the opt-out option
2. **Applicability:** The BSOBA applies to residential customers who not wish to have a wireless, communicating meter known as a Smart Meter installed at their premises (hereafter, "Opt-Out Customers").
3. **Operation of the BSOBA:**

Entries of the BSOBA shall be determined as follows:

a. A debit entry to record the incremental Operation and Maintenance (O&M) and capital-related revenue requirements, excluding associated "exit fee" or "turn-off" costs and Franchise Fees and Uncollectibles (FF&U) expense, incurred for all opt-out related activities. Opt-out-related revenue requirements recorded in the BSOBA shall be based on actual costs. The capital-related revenue requirements shall include depreciation expense, return on rate base, federal and state income taxes, and property taxes. These O&M and capital costs include implementation and on-going costs, and any other costs associated with activities related to the opt-out program (as authorized by the Commission in D.12-04-018 and D.14-12-078), associated with the following items:

- (1) **Acquisition and Installation of Meters**
This category consists primarily of the costs testing and replacing BVES Smart Meters with electromechanical analog meters, or the customer's previous meter form (i.e., a non-communicating, non-smart meter).
- (2) **Acquisition and Installation of Communication Network Equipment**
This category consists primarily of the capital costs of procuring and installing communication infrastructure equipment necessary to compensate for reduced connectivity of the BVES Smart Meter mesh network associated with the removal of BVES Smart Meter end-point meters for opt-out customers.
- (3) **Modification and Operation of Back-Office Systems**
This category consists primarily of the capitalized software costs necessary to integrate additional meter forms into the BVES Smart Meter back office systems and for modifications to BVES' billing systems to incorporate new opt-out program fees.
- (4) **Operations**
This category consists primarily of the operational expenses associated with manual meter reading, call center support, customer enrollments, billing, customer outreach and notifications, uncollectable expenses attributable to the opt-out program, training, development & assessments and program administration.

All recorded, incremental costs shall include provisions for overhead loadings on direct labor dollars to account for items such as benefits, results sharing and payroll taxes. The overhead loading factors shall be based on authorized GRC loading factor rates.

(N)

(Continued)

(N)

FF Bear Valley Electric Service Smart Meter Opt-Out Balancing Account (BSOBA) (Continued)

- b. A credit entry equal to the revenues associated with the initial and/or monthly fees for the BVES Smart Meter Opt-Out Program, and
 - c. An entry to record interest expense for over-collection or interest income for under-collection by applying the interest rate to the average monthly balance in the BSOBA
4. **Disposition:** The costs incurred and revenues collected associated with providing the opt-out option will be reviewed in BVES next available General Rate Case (GRC) proceeding. In addition, BVES may propose future adjustments to the Opt-Out fees or monthly charges to account for BSOBA over- or under-collections as part of its GRC application.

(N)

SCHEDULE NO. SMO

(N)

**BVES SMART METER OPT-OUT
Residential Service**

APPLICABILITY

This Schedule is available to residential customers who do not wish to have a wireless, communicating meter, known as a Smart Meter, installed at their Premises (hereafter, "Opt-Out Customers"). Under this Schedule, Opt-Out Customers shall receive an analog meter, or a non-analog, non-smart digital meter when electing to receive service under a rate schedule or program that does not support an analog meter.

TERRITORY

Within the entire territory served by BVES

RATES

All charges and provisions of the customer's Otherwise Applicable Tariff (OAT) shall apply, except that Opt-Out Customers who elect this option will be charged, as follows:

For Non-CARE customers per Premise:

Initial Fee	\$75.00
Monthly Charge	\$10.00/month

For CARE customers per Premise:

Initial Fee	\$10.00
Monthly Charge	\$5.00/month

Charges will be applicable following the meter exchange. Where a meter exchange is not required, charges will be applicable following affirmative election of the Opt-Out option by the customer. The Monthly Charge will be applicable for a period of three years from the date the customer elects to Opt-Out.

(N)

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