

**BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Bear Valley Electric Service, Inc.
(U 913 E) for Authority to, Among Other Things,
Increase Rates and Charges, and Authorized
Revenues, for Electric Service Effective January 1,
2023

Application 22-08-010
(Filed August 30, 2022)

**JOINT MOTION FOR COMMISSION APPROVAL AND
ADOPTION OF SETTLEMENT AGREEMENT
(CORRECTED)**

Fred G. Yanney
Yanney Law Office
2082 Michelson Drive
Irvine, California 92612
Telephone: (562) 926-5050
Facsimile: (562) 926-5050
E-mail: FredYanney@gmail.com

Attorneys for Bear Valley Electric
Service, Inc.

Brian T. Cragg
Downey Brand, LLP
455 Market Street, Suite 1500
San Francisco, California 94105
Telephone: (415) 848-4800
Facsimile: (415) 848-4801
E-mail: bcragg@downeybrand.com

Attorneys for Snow Summit, LLC

Corwin Hockema
Public Advocates Office
505 Van Ness Avenue
San Francisco, California 94102
Telephone: (415) 703-3942
Facsimile: (415) 703-4592
E-mail: Corwin.Hockema@cpuc.ca.gov

Attorneys for Public Advocates Office

Date: November 1, 2024

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I. INTRODUCTION.

Pursuant to Rule 12.1 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure (“Rules”), Bear Valley Electric Service, Inc. (“BVES” or “Bear Valley”), the Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”), and Snow Summit, LLC (“Snow Summit”) (hereinafter collectively referred to as the “Settling Parties”) jointly submit this motion for approval of the Settlement Agreement, attached hereto as Appendix A. This Joint Motion is filed pursuant to the October 14, 2024, email ruling from Administrative Law Judge (“ALJ”) Elaine C. Lau, which granted an extension of time to file a settlement agreement, and supporting joint motion by November 1, 2024.¹

This Joint Motion states factual and legal considerations sufficient to advise the Commission of the scope of the Settlement and the grounds upon which its adoption is urged. The Settlement resolves all issues in this proceeding among the Settling Parties, and is not intended to apply to any issues which may come before the Commission in another current or future proceeding.

In accordance with Rule 12.1(b), notice of a telephonic settlement conference and opportunity to participate in the Settlement was provided to all parties via e-mail on October

¹ Email Ruling Granting Extension of Time to File Settlement Agreement, Application (A) 22-08-010 dated October 14, 2024.

23, 2024. The telephonic settlement conference was held on October 30, 2024.

The attached Settlement resolves all issues of law and fact in this matter between the Settling Parties, and is reasonable, consistent with law, and in the public interest in accordance with Rule 12.1(d). The Settling Parties respectfully request that the Commission approve the Settlement without change or modification.

II. BACKGROUND.

On August 30, 2022, BVES filed Application (A.) 22-08-010, its Test Year 2023 Test Year General Rate Case application. In terms of total annual operating revenue requirements, BVES proposed an operating revenue requirement of \$50.28 million for Test Year (“TY”) 2023, which represented a year-over-year increase of approximately \$10.5 million. That increase translated into a 26.5% increase when comparing the TY 2023 requested amount to the authorized 2022 operating revenue requirement.

Comparing 2023 revenues at present rates versus proposed rates, the proposed increase was approximately \$12.31 million, which translated into a 32.4% increase.

Bear Valley’s initial request included a year-over-year increase in total operating revenues of \$2.24 million (4.45%) in 2024, \$1.85 million (3.53%) in 2025, and \$2.93 million (5.39%) in 2026. With these proposed increases, Bear Valley’s TY2026 proposed revenue requirement would have been approximately \$7.03 million (13.97%) higher than the TY2023 proposed revenue requirement.

BVES submitted its Amendment and Supplement to Application on October 11, 2022, with respect to cost allocation and rate design issues.

On November 2, 2022, BVES filed a motion requesting authority to establish a GRC memorandum account. Bear Valley was authorized to establish such a memorandum account in D.22-12-037, dated December 15, 2022.

Protests to Bear Valley’s Application were filed by Cal Advocates and Snow Summit. A virtual public participation hearing was held on May 9, 2023.

Cal Advocates and Snow Summit engaged in extensive discovery, issuing numerous data requests. Settlement discussions were held on July 7, 2023, and continued thereafter sporadically, until ultimately culminating in the attached Settlement Agreement.

Virtual evidentiary hearings were held before ALJ Lau, the Presiding Officer, on July 25-26, 2023.

Opening briefs were filed on September 8, 2023 and reply briefs were filed on September 29, 2023. On October 30, 2024, all parties to the proceeding participated in a telephone settlement conference.

As part of this Joint Motion, the Settling Parties declare that the requirements of Rule 12.1(b) were met, and the attached Settlement expresses their mutual understandings and resolution of all issues in this proceeding.

III. SUMMARY OF POSITIONS AND SETTLEMENT.

The scope of the Settlement includes all issues in this proceeding. The key issues resolved through the Settlement are summarized below, including a brief description of each party’s position on the issue. These summaries are provided to facilitate the Commission’s review of the Settlement and to demonstrate that the Settlement is reasonable in light of the whole record, consistent with the law, and in the public interest.

A. 2023 Base Rate Revenue Requirements

An overarching objective of the Settling Parties was to reduce Bear Valley’s base rate revenue requirements, particularly for 2023, while still providing BVES with a reasonable budget to manage its electric system to assure safe and reliable service for customers at affordable rates. Bear Valley’s proposed TY 2023 Base Rate Revenue Requirement amount as compared to Cal Advocates’ recommendation are set forth in the table below, including the Settling Parties’ agreed to TY 2023 Base Rate Revenue Requirement.

Table 1

2023 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 38,032,380	\$ 33,051,872	\$ 30,292,059

Based upon the 2023 Base Rate Revenue Requirement settlement amount of \$33,051,872, the Settling Parties agreed to an overall Test Year 2023 Revenue requirement of \$45,300,000, as summarized in the table below:

Table 2

Base Rate Revenues	\$33,051,872
Supply Cost Revenues	\$12,248,128
Total Revenue Requirement	\$45,300,000

B. Comparison Chart of SOE Positions

The table below presents a comparative summary of earnings (“SOE”) chart for Test Year 2023. The chart presents Bear Valley’s request, Cal Advocates’ recommendation, and the agreed-upon settlement amount.

Table 3

	BVES		Cal Advocates
	Application	Settlement	Report
TOTAL ANNUAL REVENUE	50,280,509	45,300,000	42,540,187
BRRBA Amortization			
Total PPPC Revenues			
Total Operating Revenue	50,280,509	45,300,000	42,540,187
Supply Costs			
Supply Balancing Account			
Total SAC Costs			
SAC Amortization			
Net Supply Costs			
Purchased Power for Resale & provision for supply	12,248,128	12,248,128	12,248,128
TOTAL SUPPLY EXPENSE	12,248,128	12,248,128	12,248,128
BASE RATE REVENUES/REVENUE LESS SUPPLY EXPENSE	38,032,380	33,051,872	30,292,059
Uncollectibles	146,219	132,188	123,611
Customer Acct. Other	545,289	545,289	545,289
Operation Labor	2,348,186	2,348,186	2,348,186
All Other Operation Expenses Other than Customer Acct.	1,182,648	1,106,648	1,182,648
Total Operating Expenses	4,222,343	4,132,312	4,199,735
Maintenance Labor	229,210	229,210	229,210
All Other Maintenance Expense	4,508,044	3,687,411	1,687,967
Total Maintenance Expenses	4,737,254	3,916,621	1,917,177
TOTAL O&M EXCLUDING A&G	8,959,596	8,048,933	6,116,912
Office Supplies and Expense	582,527	582,527	449,375
Injuries and Damages	610,324	500,883	500,883
Pensions and Benefits	1,435,480	1,236,919	1,022,199
Regulatory Commission	645,184	645,184	640,622
Outside Services	1,852,393	1,507,992	1,121,921
Miscellaneous	71,025	71,025	71,025
Allocated A&G	3,326,633	3,326,633	3,326,633
BVES Direct A&G Labor	1,239,004	1,239,004	816,893
TOTAL A&G EXPENSE	9,762,571	9,110,167	7,949,551
DEPRECIATION AND AMORTIZATION	4,169,271	3,097,454	3,652,235
Property Taxes	1,423,720	1,423,720	1,423,720
Payroll Taxes	303,717	303,717	303,717
Local Taxes	476,766	429,501	403,311
TOTAL TAXES NOT ON INCOME	2,204,204	2,156,939	2,130,748
TOTAL EXPENSE EXCLUDING INC TAXES	37,343,770	34,661,621	32,097,574
NET OPER REVENUE BEFORE INCOME TAXES	12,936,739	10,638,379	10,442,613
State Taxes - Above the Line	744,382	430,907	452,378
Federal Taxes - Above the Line	2,170,135	1,689,658	1,585,038
TOTAL INCOME TAXES	2,914,517	2,120,565	2,037,416
Net Operating Revenue	10,022,222	8,517,814	8,405,198
Rate Base	110,742,782	105,549,117	110,449,388
Rate of Return	9.05%	8.07%	7.61%

C. Adjustments to Revenue Requirements for Years 2024-2026.

Bear Valley’s and Cal Advocates’ recommended overall revenue requirements for the years 2024 through 2026 are set forth in the table below, along with the agreed upon amounts by the Settling Parties.

Table 4

2024 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 40,160,589	\$ 35,251,872	\$ 31,852,194
Plus Supply Cost	\$ 12,358,454	\$ 12,248,128	\$ 12,358,454
Total	\$ 52,519,043	\$ 47,500,000	\$ 44,210,648
2025 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 42,641,116	\$ 37,968,568	\$ 33,406,736
Plus Supply Cost	\$ 11,731,432	\$ 11,731,432	\$ 11,731,432
Total	\$ 54,372,548	\$ 49,700,000	\$ 45,138,168
2026 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 44,932,778	\$ 40,627,154	\$ 34,896,418
Plus Supply Cost	\$ 12,372,846	\$ 12,372,846	\$ 12,372,846
Total	\$ 57,305,624	\$ 53,000,000	\$ 47,269,264

D. Capital Structure and Cost of Debt

The proposed capital structure by BVES, as compared to that proposed by Cal Advocates, is set forth in the table below, along with the agreed-upon capital structure by the Settling Parties. Bear Valley’s cost of debt was unopposed by Cal Advocates, and is included in the table below.

Table 5

	BVES	Settlement	Cal Advocates
Equity Ratio	61.80%	57%	57%
Debt Ratio	38.20%	43%	43%
Cost of Debt	5.51%	5.51%	5.51%

E. Rate of Return on Equity and Rate Base

The proposed return on equity by BVES and Cal Advocates are set forth in the table below, along with the agreed upon return on equity by the Settling Parties.

Table 6

	BVES	Settlement	Cal Advocates
Return on Equity	11.25%	10.00%	9.20%

The following table summarizes the calculation of the rate of return on rate base based on the settlement positions on capital structure, cost of debt, and return on equity.

Table 7

	Capital Structure	Cost	Weighted Cost
Debt	43%	5.51%	2.37%
Equity	57%	10.00%	5.70%
Return on Rate Base			8.07%

BVES proposed a cost of capital mechanism to allow automatic annual adjustments to Bear Valley’s authorized rate of return on rate base for changes in interest rates during the rate cycle. Cal Advocates opposed Bear Valley’s request. The Settling Parties agree to the withdrawal of the proposed cost of capital mechanism.

F. Rate Base Value

The Settling Parties agree to rate base values for 2023 through 2026, as set forth in the table below.

Table 8

	2023	2024	2025	2026
Rate Base	\$105,549,117	\$120,897,454	\$129,633,416	\$138,858,735

G. Capital Projects/Costs Funded by Base Rate Revenue Requirements

BVES requested a 2023-2026 capital budget totaling \$62,016,396, excluding the Snow Summit Expansion Project and the Radford Line Replacement Project, and Cal Advocates recommended \$49,802,872. The Settling Parties agree to the following capital

budgets to be funded through agreed-upon base rate revenues:

Table 9

Capital Budget	BVES	Settlement	Cal Advocates
2023	\$ 14,386,492	\$ 3,171,694	\$ 13,597,402
2024	\$ 14,812,869	\$ 23,198,123	\$ 12,284,531
2025	\$ 17,741,776	\$ 12,277,951	\$ 12,202,032
2026	\$ 15,075,259	\$ 13,827,987	\$ 11,718,907
Total	\$ 62,016,396	\$ 52,475,755	\$ 49,802,872

H. Advice Letter Projects

The Settling Parties agree that four of the requested capital improvement projects requested by BVES are authorized but will not be funded using agreed-upon base rates. Rather, these four authorized projects (or component parts of the project) will only be funded via Tier 2 Advice Letter filings following their respective completion and commercial operation, with allowance for funds during construction (“AFUDC”) being added to the project cost.

I. Capital Projects Deferred to Future GRC

The Settling Parties agree that two of the requested capital improvement projects requested by BVES (totaling \$3,758,310) will be removed from this GRC proceeding, with BVES being able to propose the projects in a future rate case.

J. Defer a Portion of Wildfire-Related Capital Costs from 2023 to 2024

The Settling Parties agree that \$10,927,574 of wildfire mitigation-related capital costs that were proposed by BVES to be placed in 2023 rate base will be included in 2024 rate base instead, and one 2025 capital project (\$2,065,781) be deferred to 2026.

K. Snow Summit Project

BVES proposed that the estimated cost of \$10.8 million for the Snow Summit Project be included in base rates, with any supplemental revenues be treated in the manner previously approved by the Commission in D.19-08-027 (*i.e.*, all ratepayers should benefit, if supplemental revenues materialize). Cal Advocates recommended that the costs of the Snow Summit Project not be included in base rates, and BVES be required to file a Tier 2 Advice Letter for further review of the Project when it becomes commercially operational. Snow Summit initially recommended that the Snow Summit Project not be included in base rates,

but ultimately agreed that the Snow Summit Project could be included in rate base starting in 2024. Snow Summit recommended that any supplemental revenues should accrue to the benefit of the A5 TOU rate class.

The Settling Parties agree to remove the forecasted costs of the Snow Summit Project from base rates in this GRC proceeding, and agree that BVES may file a Tier 2 Advice Letter upon completion and commercial operation of the Project. The Settling Parties further agree that any supplemental revenue that may arise as a result of supplemental sales to Snow Summit shall accrue to benefit all customers, as proposed by BVES.

L. Composite Depreciation Rate

BVES proposed a 2.90% composite depreciation rate. Cal Advocates opposed Bear Valley's proposal on various grounds. The Settling Parties agree to a composite depreciation rate of 2.14%.

M. Weighted Working Cash

BVES proposed a weighted average working cash amount of \$680,600. Cal Advocates proposed a weighted average working cash amount of \$412,068. The Settling Parties agree to a working cash component of rate base equal to \$500,000, \$515,000, \$530,000 and \$546,000 for the year ending 2023 through 2026, respectively, and to use Bear Valley's revenue and expense lag days forecast.

N. Supply Adjustment Balancing Account

BVES set forth costs and revenues related to the Supply Adjustment Balancing Account during the period November 1, 2016 through December 31, 2021 (the "Review Period"), with a cumulative net under-collection balance of \$1,399,094 at the end of the Review Period. Cal Advocates had no objections. The Settling Parties agree that the cumulative net under-collection balance in the Supply Adjustment Balancing Account as of December 31, 2021 was \$1,399,094.

O. Forecast of Power Supply Costs and Average Total Cost per MWh

BVES forecasted supply-related costs with no opposition from Cal Advocates. The Settling Parties agree to forecasted supply-related costs for 2023 through 2026 of \$12,248,128, \$12,248,128, \$11,731,432 and \$12,372,846, respectively.

P. Sales and Number of Customer Forecasts

With no objections from Cal Advocates, the Settling Parties agree to Bear Valley's forecasts regarding sales, customer connections and other operating revenues.

Q. Special Request –Balancing Accounts and Memorandum Accounts

BVES requested treatment of various balancing and memorandum accounts. With one exception, Cal Advocates did not oppose any of Bear Valley's requests. The Settling Parties agree that with regard to the COVID-19 Pandemic Protection Memorandum Account that BVES should be authorized to recover the \$493,158 of costs booked into this account, plus accrued interest, by transferring it to the BRRBA for disposition. The Settling Parties agree to the remaining requests by BVES with respect to balancing accounts and memorandum accounts set forth in BVES Special Request 1.

R. Recovery of Costs Booked in Wildfire-Related Memorandum Accounts.

Bear Valley booked its wildfire mitigation costs into three memorandum accounts, seeking recovery of the following balances as of March 31, 2022 – Fire Hazard Prevention Memorandum Account (“FHPMA” \$6,516,403), Wildfire Mitigation Plan Memorandum Account (“WMPMA” \$874,735), and Fire Risk Mitigation Memorandum Account (“FRMMA” \$2,108,581). Cal Advocates recommended a disallowance of \$3.15M in the FHPMA, but did not oppose the request for recovery of costs booked in the FRMMA or the WMPMA.

The Settling Parties agree to BVES recovering the costs booked into the FRMMA and the WMPMA over a 36-month period through an equal-cents-per-kilowatt-hour surcharge rate of \$0.00509/kWh and \$0.00211/kWh, respectively. Regarding the FHPMA, the Settling Parties agree BVES will forego \$300,000 of accrued interest in the FHPMA, and be authorized to recover the costs booked into the FHPMA (excluding \$41,686 of interest) over a 48-month period through an equal-cents-per-kilowatt-hour surcharge rate of \$0.01217/kWh.

With respect to Bear Valley's unopposed request to recover costs in the three memorandum accounts from April 1, 2022 through the date of a final decision in this proceeding, the Settling Parties agree that BVES be authorized to file a Tier 2 Advice Letter to amortize the costs booked into the three wildfire mitigation memorandum accounts

(excluding \$258,314 in accrued interest) during the period April 1, 2022 through the effective date of the final decision in this GRC.

S. Wildfire Mitigation Vegetation Management Balancing Account

BVES requested \$3,516,464 in 2023 for its enhanced vegetation management program. Cal Advocates proposed \$2,243,992. The Settling Parties agree to include in 2023 through 2026 base rates \$2.7 million per year, and to track any costs in excess of \$2.7M in a new balancing account, with an annual cap in incremental vegetation management costs of \$400,000 (*i.e.*, total annual vegetation management costs capped at \$3.1 million).

T. Other WMP Implementation Costs In Base Rates

BVES requested a total of \$1,746,257 for 2023 to implement its WMP programs (excluding enhanced vegetation costs). Cal Advocates proposed \$1,263,940 for 2023. The Settling Parties agree to \$1,670,434 for 2023 and \$1,745,898 for years 2024, 2025, and 2026 in base rates to implement Bear Valley’s Wildfire Mitigation Plan expenses (excluding enhanced vegetation management costs).²

U. Long Run Marginal Cost Study and Cost Allocation

The long run marginal cost (“LRMC”) study submitted by Bear Valley developed marginal customer, energy and demand costs for each rate class or rate schedule. Cal Advocates reviewed Bear Valley’s LRMC study and had no objection. Snow Summit asserted a number of methodological differences in the MCS Study. The Settling Parties agree to accept the LRMC Study with one modification. Investments related to supplemental service to Snow Summit were removed from the Study.

BVES proposed to allocate rates based on a hybrid or weighted average of two cost-allocation methods -- Equal Percentage of Marginal Costs (“EPMC”) method and system average percent (“SAP”) method. BVES proposed that the allocation of the TY2023 revenue requirement be based 20% on the EPMC method and 80% on the SAP method. Increases in the subsequent years of the GRC cycle would be apportioned on the SAP method.

Cal Advocates recommended that the Commission authorize the revenue requirement increases for each customer class on a SAP basis. Under Cal Advocates’ recommendation, the annual increase in the allocated revenue requirement in percentage terms would be the

² This amount does not include costs related to WMP-related capital projects.

same for all customer classes. The annual increases would vary by year, but would be the same percentage increase across classes each year.

Snow Summit proposed a hybrid allocation with 30% EPMC and 70% SAP and rate caps.

The Settling Parties agree to the allocation of the TY2023 revenue requirement based on 10% EPMC and 90% SAP. Increases in the subsequent years of the GRC cycle would be apportioned based upon 100% SAP.

V. Disposition of General Rate Case Memorandum Account

In an Interim Decision on Motion for Memorandum Account, BVES was authorized to establish a General Rate Case Revenue Requirement Memorandum Account (“GRC Memo Account”).³ The GRC Memo Account tracks the revenue differential between the BVES base rates in effect as of December 31, 2022 and the BVES base rates adopted in this GRC. The disposition of the GRC Memo Account was not a litigated issue.

The Settling Parties agree that a separate surcharge will be established to amortize the balance in the GRC Memo Account over a 36-month period through a Tier 2 Advice Letter filing made within 90 days of the effective date of the final decision in this proceeding.

W. Scope of Risk Spend Accountability Report

BVES set forth its risk-based decision-making framework and measures. Cal Advocates had no objections. The Settling Parties agree that the scope of Bear Valley’s Risk Spend Accountability Report shall include the WMP-approved initiatives listed in the Settlement Agreement.

X. Rate Impacts if the Settlement Agreement Is Adopted as Compared to Rate Impacts of Bear Valley’s Original Request

Based upon the terms of the Settlement Agreement, the increase in total rates from current adopted rates⁴ for test year 2023 would be reduced to 12.1% as compared to the requested rate increase from adopted rates at the time the application was filed of 26.5%.

³ D.22-12-037, *Decision Granting Bear Valley Electric Service, Inc. Authority to Establish A 2023 General Rate Case Memorandum Account*, issued 12/19/2022.

⁴ Current adopted rates updated to include adopted revenues associated with the Grid Modernization Advice Letter Project filed in Advice Letter 455-E.

Table 10 below presents a comparison of rates between what was filed and the settled rates for years 2023, 2024, 2025 and 2026.

Table 10

Rate Schedules - Filed	2022 Current		2023 Rate Increase		2024 Rate Increase		2025 Rate Increase		2026 Rate Increase		2023-2026 Overall Rate Increase	
	(\$/ Kwh)		(\$/ Kwh)	(%)	(\$/ kwh)	(%)	(\$/ kwh)	(%)	(\$/ kwh)	(%)	(\$/ KWh)	(%)
Residential	\$ 0.316		\$ 0.091	28.9%	\$ 0.009	2.3%	\$ 0.015	3.5%	\$ 0.023	5.3%	\$ 0.138	43.7%
Commercial	\$ 0.296		\$ 0.070	23.6%	\$ 0.007	1.8%	\$ 0.012	3.1%	\$ 0.018	4.8%	\$ 0.107	36.0%
Industrial	\$ 0.176		\$ 0.021	12.1%	\$ 0.003	1.5%	\$ 0.002	1.0%	\$ 0.010	4.9%	\$ 0.036	20.6%
Street Lighting	\$ 0.774		\$ 0.192	24.8%	\$ 0.020	2.1%	\$ 0.047	4.8%	\$ 0.049	4.8%	\$ 0.309	39.9%
Total	\$ 0.298		\$ 0.079	26.4%	\$ 0.002	4.3%	\$ 0.013	3.3%	\$ 0.021	5.1%	\$ 0.129	43.1%

Rate Schedules - Settled	2022 Current		2023 Rate Increase		2024 Rate Increase		2025 Rate Increase		2026 Rate Increase		2023-2026 Overall Rate Increase	
	(\$/ Kwh)		(\$/ Kwh)	(%)	(\$/ kwh)	(%)	(\$/ kwh)	(%)	(\$/ kwh)	(%)	(\$/ KWh)	(%)
Residential	\$ 0.322		\$ 0.043	13.2%	\$ 0.013	3.6%	\$ 0.012	3.3%	\$ 0.021	5.3%	\$ 0.089	27.6%
Commercial	\$ 0.302		\$ 0.032	10.6%	\$ 0.024	7.2%	\$ 0.025	7.0%	\$ 0.035	9.1%	\$ 0.116	38.4%
Industrial	\$ 0.182		\$ 0.009	5.1%	\$ 0.009	4.9%	\$ 0.009	4.6%	\$ 0.014	6.6%	\$ 0.042	22.9%
Street Lighting	\$ 0.780		\$ 0.089	11.3%	\$ 0.042	4.9%	\$ 0.042	4.6%	\$ 0.063	6.6%	\$ 0.236	30.3%
Total	\$ 0.303		\$ 0.037	12.1%	\$ 0.016	4.7%	\$ 0.016	4.4%	\$ 0.024	6.4%	\$ 0.092	30.3%

Y. Actual Rate Impacts for 2025 and 2026 if Decision Adopting the Settlement Is Approved in January 2025

If the Decision adopting the Settlement Agreement is approved in January 2025, BVES would implement rates based upon 2025 rates in the settlement agreement, resulting in an overall increase in rates of 22.8% from 2022 current adopted rates. The average residential monthly bill using 325 kWh per month would increase by approximately \$20.81 or 22.46% in 2025, as a result of changes to base and supply rates. See Table 11 below for a bill comparison.

Table 11

Bill Impact w/ 2025 Rates	Usage kWh	2025 Bill (\$)	Current Bill (\$)	Increase (\$)	Increase (%)
Residential Average Usage	325.0	\$ 114.05	\$ 93.24	\$ 20.81	22.46%

Z. Next Rate Case Application Filed Prior to January 31, 2026.

The Settling Parties agree that BVES shall file its next general rate case application, with a 2027 Test Year, prior to January 31, 2026. The cost allocation and rate design components of the application shall be filed no later than six weeks after the filing of the application. The application shall include a four-year rate cycle. The Settling Parties agree that BVES may request to modify these filing dates for good cause through an appropriate procedural vehicle, and any such modification shall not be deemed an amendment of this Settlement.

IV. THE SETTLEMENT MEETS COMMISSION CRITERIA FOR SETTLEMENT AGREEMENTS AND SHOULD BE APPROVED

Rule 12.1(d) sets forth the standard for approval of settlements:

The Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

While the Commission reviews individual terms of a settlement, the Commission approves settlement agreements based on whether they are just and reasonable *as a whole*:

In assessing settlements we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.⁵

As set forth below, the Settlement complies with the Commission requirement for approval of settlements, because it is reasonable in light of the whole record, consistent with the law, and in the public interest. Accordingly, the Settling Parties respectfully urge the Commission to adopt and approve the Settlement.

A. The Settlement Is Reasonable in Light of the Whole Record.

In assessing the reasonableness of the Settlement, the Commission has the benefit of a robust evidentiary record that was produced after Cal Advocates and Snow Summit engaged in extensive discovery process, and BVES and Snow Summit witnesses were subject to cross examination through a virtual hearing. In addition, all disputed issues were fully briefed in opening and reply briefs by the parties in the proceeding.

The Settling Parties represent the full spectrum of interests, namely Bear Valley which is a for-profit utility responsible for providing safe and reliable service to its customers, and Cal Advocates which is an independent advocacy office located at the Commission. Snow Summit is the largest customer of BVES. The record shows that the Settlement was reached as a result of substantial give-and-take between the Settling Parties which occurred over a lengthy settlement process. This give-and-take is

⁵ D.10-04-033, p. 9; D17-05-013, pp. 217-221.

demonstrated by the positions initially taken by the Settling Parties and the final positions agreed upon in the Settlement.

The Settlement Agreement represents a series of tradeoffs and must be viewed as a package. No single provision should be viewed in isolation. Thus, the Settlement represents reasonable compromises among adverse, knowledgeable and experienced parties involving a broad range of factual and legal disputes.

The Commission has expressed the strong public policy favoring settlements if they are fair and reasonable in light of the whole record.⁶ This policy supports “many worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.”⁷ The Settlement is fair and reasonable, in light of the whole record.

An important indicia of the reasonableness of the Settlement is that not only are the settled amounts within the ranges established by the Settling Parties, but there are substantial *reductions* in Bear Valley’s requests, including:

- Reduction of \$4,980,509 (-13.1%) in 2023 base rate revenue requirements.
- Reduction of \$5,019,043 (-12.5%) in 2024 base rate revenue requirements.
- Reduction of \$4,672,548 (-11.0%) in 2025 base rate revenue requirements.
- Reduction of \$4,305,624 (-9.6%) in 2026 base rate revenue requirements.
- Reduction of 1.25% of return on equity.
- Reduction of \$20,340,641 (-28%) of capital projects funded by authorized base rate revenue requirements.
- Deferral of \$11,696,474 of wildfire-related capital costs from 2023 to 2024 rate base.
- A \$3.1M cap on vegetation management costs.
- Removal of \$10.8M Snow Summit Project from base rates.

Another important indicia of the reasonableness of the Settlement is the approval and funding of crucial safety and wildfire mitigation-related programs, including:

- \$2.7M in base rates for vegetation management costs.
- Approximately \$1.7M in base rates for wildfire mitigation expenses.
- Approximately \$40M in base rates for wildfire-related capital projects.

Based upon the whole record, including the highlighted compromises set forth above, the Settlement satisfies the “fair and reasonable” standard required of all settlements. The

⁶ D.05-10-041, p. 47; D.15-03-006, p. 6; D.15-04-006, pp. 8-9.

⁷ D.15-05-015 at p. 13; D.14-01-011 at p. 13; D.10-12-051 at pp. 8-9, D.11-06-023 at p. 13.

Settling Parties found common ground, through reasonable compromises, and resolved all contested issues in this proceeding. The Settlement achieves an important policy preference of the Commission favoring settlements. In light of the whole record, the Settlement is reasonable and should be approved by the Commission without modification.

B. The Settlement Is Consistent with the Law

The Settling Parties believe, and represent, that no term of the Settlement Agreement contravenes statutory provisions or prior Commission decisions.⁸ Moreover, the Settlement Agreement directly supports both the Legislature’s and the Commission’s objective of mitigating wildfire risks (particularly implementation of Bear Valley’s Wildfire Mitigation Plan), while maintaining and enhancing safe and reliable electric service at affordable rates consistent with the law.

C. The Settlement Is in the Public Interest.

The Settlement Agreement is the result of the Settling Parties’ shared intent to both ensure reasonable and adequate funding for safe and reliable electric service, as well as to support and fund critical wildfire-mitigation initiatives and projects while simultaneously balancing the need for affordability of rates. Thus, not only is the Settlement in the public interest, but it is also in the best interest of Bear Valley’s customers. Equally important, it fairly resolves all issues and provides more certainty to customers regarding their present and future costs, which is in the public interest.

In addition, the Settlement, if adopted by the Commission, reduces the cost of further litigation and conserves both the Commission’s and Settling Parties’ time and resources.

V. CONCLUSION

The principle public interest affected by this Settlement Agreement is delivery of safe and reliable electric service at affordable rates. It advances these interests as a result of the carefully crafted compromises that significantly reduced the base rate revenue requirements sought by BVES while providing sufficient revenues to maintain and enhance safe and reliable service and reduce the risks of wildfires that could be caused by BVES operations.

⁸ In D.00-09-037 (p. 11), the Commission relied upon a similar declaration in concluding that the criteria that a settlement agreement is consistent with the law had been met.

Taken as a whole, the Settlement Agreement is reasonable in light of the entire record, consistent with the law, and in the public interest.

For the reasons stated above, the Settling Parties move that the Commission approve and adopt the Settlement, attached hereto as Appendix A, without change or modification.

Respectfully submitted this 1st day of November, 2024.

By: /s/ Fred G. Yanney

Fred G. Yanney
Yanney Law Office
2082 Michelson Drive
Irvine, California 92612
Telephone: (562) 926-5050
Facsimile: (562) 926-5050
E-mail: FredYanney@gmail.com
Attorneys for Bear Valley Electric Service, Inc.

Corwin Hockema
Public Advocates Office
505 Van Ness Avenue
San Francisco, California 94102
Telephone: (415) 703-3444
Facsimile: (415) 703-4592
E-mail: Corwin.Hockema@cpuc.ca.gov
Attorneys for Public Advocates Office

Brian T. Cragg
Downey Brand, LLP
455 Market Street, Suite 1500
San Francisco, California 94105
Telephone: (415) 848-4800
Facsimile: (415) 848-4801
E-mail: bcragg@downeybrand.com
Attorneys for Snow Summit, LLC

APPENDIX A
SETTLEMENT AGREEMENT

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Bear Valley Electric Service, Inc. (U 913 E) for Authority to, Among Other Things, Increase Rates and Charges, and Authorized Revenues, for Electric Service Effective January 1, 2023

Application 22-08-010
(Filed August 30, 2022)

SETTLEMENT AGREEMENT

1. INTRODUCTION

- 1.1. In accordance with Rule 12.1(a) of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the Settling Parties (as defined in section 2 below) enter into this settlement agreement (“Settlement”) for purposes of resolving all matters in this proceeding.
- 1.2. The attached Joint Motion for Commission Approval and Adoption of Settlement Agreement (“Settlement Approval Motion”) sets forth the factual and legal bases of the Settlement; advises the Commission of its scope; and presents the grounds on which Commission approval and adoption are urged.
- 1.3. As the Settlement Approval Motion explains, the Settlement complies with Commission requirements for approval of settlements because it is reasonable in light of the whole record, consistent with the law, and in the public interest. Accordingly, the Settling Parties respectfully urge the Commission to adopt and approve this Settlement.
- 1.4. The Settling Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues in this Settlement and, in consideration of the mutual obligations, covenants, and conditions contained herein, have reached the agreements set forth herein.
- 1.5. Since this Settlement represents a compromise by them, the Settling Parties have entered into each component of this Settlement on the basis that its approval by

the Commission not be construed as an admission or concession by any Settling Party that its position on any issue lacks merit, or a claim by a Settling Party that its position has greater or lesser merit than the position taken by any other Settling Party. This Agreement is subject to the express limitation on precedent as provided in Commission Rule 12.5. Unless specifically stated otherwise herein, this Agreement and its terms are intended to remain in effect until the Commission issues a final decision in this proceeding. All issues among and between the Settling Parties have been resolved through this Settlement.

- 1.6. The general rate case (“GRC”) application in this proceeding was for Test Year 2023. Much of the record in this proceeding is in terms of the 2023 revenue requirement. Most of the figures cited in this Settlement are expressed in terms of 2023 costs and revenue requirements.

2. DEFINITIONS

- 2.1. The term “A&G” means Administrative and General.
- 2.2. The term “AFUDC” means allowance for funds used during construction.
- 2.3. The term “AMI” means Advanced Metering Infrastructure.
- 2.4. The term “Application” means the GRC application filed in this proceeding.
- 2.5. The term “BAMA” means Balancing and Memorandum Accounts.
- 2.6. The term “BRRBA” means Base Revenue Requirement Balancing Account.
- 2.7. The term “BVES” or “Bear Valley” means Bear Valley Electric Service, Inc. (U 913-E), the applicant in this proceeding.
- 2.8. The term “Cal Advocates” means the Public Advocates Office at the California Public Utilities Commission.
- 2.9. The term “CCM” means Cost of Capital Mechanism.
- 2.10. The term “CPPMA” means COVID-19 Pandemic Protection Memorandum Account.
- 2.11. The term “Commission” means California Public Utilities Commission.
- 2.12. The term “CWIP” means Construction Work in Progress.
- 2.13. The term “EEBA” means Energy Efficiency Balancing Account.
- 2.14. The term “FERC” means Federal Energy Regulatory Commission.
- 2.15. The term “FHPMA” means Fire Hazard Prevention Memorandum Account.
- 2.16. The term “FRMMA” means Fire Risk Mitigation Memorandum Account.

- 2.17. The term “GRC” means General Rate Case.
- 2.18. The term “GRC Memo Account” means General Rate Case Memorandum Account.
- 2.19. The term “LRMC” means long run marginal cost.
- 2.20. The term “MOC” means Monthly Ownership Charge.
- 2.21. The term “O&M” means Operating & Maintenance.
- 2.22. The term “OCMA” means Officer Compensation Program Memorandum Account.
- 2.23. The term “PBA” means Pension Balancing Account.
- 2.24. The term “PPP” means Public Purpose Program.
- 2.25. The term “RPS” means Renewables Portfolio Standard.
- 2.26. The term “RRRCMA” means the Reliability Reporting Requirements Compliance Memorandum Account.
- 2.27. The term “Rules” means Rules of Practice and Procedure.
- 2.28. The term “SABA” means Supply Adjustment Mechanism Balancing Account.
- 2.29. The term “Settling Parties” means BVES, Snow Summit, and Cal Advocates.
- 2.30. The term “SIBA” means Solar Initiative Balancing Account.
- 2.31. The term “Snow Summit” means Snow Summit, LLC.
- 2.32. The term “SOE” means Summary of Earnings.
- 2.33. The term “TAMA” means Tax Act Memorandum Account.
- 2.34. The term “TEPPMA” means Transportation Electrification Pilot Program Memorandum Account.
- 2.35. The term “TEPPBA” means Transportation Electrification Pilot Program Balancing Account.
- 2.36. The term “TY” means Test Year.
- 2.37. The term “VMBA” means Vegetation Management Balancing Account.
- 2.38. The term “WMP” means Wildfire Mitigation Plan.
- 2.39. The term “WMPMA” means Wildfire Mitigation Plan Memorandum Account.

3. RECITALS

- 3.1. On August 30, 2022, BVES filed its Application in this proceeding (A.22-08-010) and served its direct testimony.
- 3.2. On October 3, 2022, Cal Advocates filed its Protest to the Application.

- 3.3. On October 11, 2022, BVES filed its Amendment and Supplement to the Application.
- 3.4. On October 12, 2022, Administrative Law Judge Elaine Lau set a prehearing conference for December 16, 2022.
- 3.5. On October 13, 2022, Snow Summit filed its Protest to the Application.
- 3.6. On November 2, 2022, BVES filed a Motion for Authority to Establish a GRC Memorandum Account.
- 3.7. On December 15, 2022, the Commission issued D.22-12-037 Granting Bear Valley Electric, Inc. Authority to Establish a 2023 General Rate Case Memorandum Account.
- 3.8. On December 16, 2022, a prehearing conference was held before Administrative Law Judge Elaine Lau.
- 3.9. On February 8, 2023, Commissioner Genevieve Shiroma, the Assigned Commissioner, issued the Scoping Memo and Ruling outlining the scope of issues to be considered along with a procedural schedule.
- 3.10. On May 9, 2023, a virtual public participation hearing was held.
- 3.11. On May 26, 2023, testimony (excluding cost of capital and return on equity) was served by intervenors.
- 3.12. On June 2, 2023, testimony on cost of capital and return on equity was served by intervenors.
- 3.13. On June 23, 2023, rebuttal testimony (excluding cost of capital and return on equity) was served by parties.
- 3.14. On June 30, 2023, rebuttal testimony on cost of capital and return on equity was served by parties.
- 3.15. On July 25 and July 26, 2023, an evidentiary virtual hearing was held.
- 3.16. On September 8, 2023, Opening Briefs were filed and served.
- 3.17. On September 29, Reply Briefs were filed and served.

4. ATTACHMENTS

- 4.1. The following documents are attached to, and made a part of, this Settlement Agreement.

- 4.1.1. Exhibit A: 2023-2026 Listing of Capital Projects
 - 4.1.2. Exhibit B: 2023 TY Settlement Composite Depreciation Rate by FERC Account
 - 4.1.3. Exhibit C: Vegetation Management Balancing Account (VMBA)
 - 4.1.4. Exhibit D: Base Rate Revenue Requirement Balancing Account (BRRBA)
 - 4.1.5. Exhibit E: Rule 2H
 - 4.1.6. Exhibit F: Summary of Balancing and Memorandum Accounts
 - 4.1.7. Exhibit G: Amortization of the Fire Hazard Protection Memorandum Account (FHPMA) Costs
 - 4.1.8. Exhibit H: 2023 Power Supply Rates
 - 4.1.9. Exhibit I: 2023 Retail Rates
 - 4.1.10. Exhibit J: Wildfire Mitigation Plan Memorandum Account (WMPMA)
- 4.2. Upon approval of this Settlement, BVES is authorized to implement each of the above-referenced attachments through a Tier 1 Advice Letter filing, where necessary.

5. TERMS AND CONDITIONS REGARDING REVENUE REQUIREMENTS

The Settling Parties have resolved all revenue requirement and cost allocation and rate design issues. The agreed-upon rate increases reflect a reasonable compromise between the Settling Parties' litigation positions, and provide BVES with a reasonable budget to manage its electric system to assure safe and reliable service for customers. The increases allow BVES to prioritize within this agreed-upon budget, its various projects and expenses, subject to Section 8386.3(d)(1) which provides that an electrical corporation shall not divert revenues authorized by the Commission to implement a wildfire mitigation plan to any activities or investments outside the plan. Thus, to the extent certain issues presented below differed from one or both Settling Parties' litigation positions, it is often a reflection of allowing BVES to prioritize the projects and expenses deemed necessary, within the Party's overall agreed-upon budget and the limitations in Section 8386.3(d)(1).

5.1. 2023 Revenue Requirement. In its Application, BVES requested a Test Year 2023 overall revenue requirement of \$50,280,509 (including supply cost revenue requirements). Cal Advocates recommended a Test Year 2023 Revenue Requirement of \$42,540,187 (including supply cost revenue requirements). The overall revenue requirement includes two components: the supply cost revenue requirement component and the base rate revenue requirement component.

5.1.1. Supply Cost Revenue. There was no disagreement between BVES and Cal Advocates regarding the supply cost revenue requirement for Test Year 2023 of \$12,248,128. The Settling Parties agreed to a supply cost revenue requirement for Test Year 2023 of \$12,248,128.

5.1.2. Base Rate Revenue Requirement. In its Application, BVES proposed a Test Year 2023 Base Rate Revenue Requirement amount of \$38,032,380¹ as compared to Cal Advocates' recommendation of \$30,292,059. After substantial negotiation, the Settling Parties agreed to a Base Rate Revenue Requirement for Test Year 2023 of \$33,051,872 (excluding supply costs revenues of \$12,248,128), as set forth in the table below.

Table 1

2023 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 38,032,380	\$ 33,051,872	\$ 30,292,059
Plus Supply Cost	\$ 12,248,128	\$ 12,248,128	\$ 12,248,128
Total	\$ 50,280,508	\$ 45,300,000	\$ 42,540,187

Based on the 2023 Base Rate Revenue Requirement settlement amount of \$33,051,872, the Settling Parties agreed to an overall Test Year 2023 Revenue Requirement of \$45,300,000, as summarized in Table 2 in section 5.1.3 below.

¹ Net of Supply Costs.

5.1.3. Modified 2023 Summary of Earnings. The table below presents the Test Year 2023 Revenue Requirement Settlement amount of \$45,300,000 in a modified SOE format.

Table 2

		AT PROPOSED RATES
		Settlement
		2023
615.00 Operating Revenue		\$45,300,000
727.00	Purchased Power for Resale & provision for supply	\$12,248,128
Total Supply Expense		\$12,248,128
REVENUE LESS SUPPLY EXPENSE		\$33,051,872
775.00	Uncollectibles	\$132,188
773.20	Customer Acct. Other	\$545,289
780.00	Operation Labor	\$2,348,186
781.00	All Other Operation Expenses Other than Customer Acct.	\$1,106,648
Total Operating Expenses		\$4,132,312
787.00	Maintenance Labor	\$229,210
788.00	All Other Maintenance Expense	\$3,687,411
Total Maintenance Expenses		\$3,916,621
TOTAL O&M EXCLUDING A&G		\$8,048,933
792.00	Office Supplies and Expense	\$582,527
794.00	Injuries and Damages	\$500,883
795.00	Pensions and Benefits	\$1,236,919
797.00	Regulatory Commission	\$645,184
798.00	Outside Services	\$1,507,992
799.00	Miscellaneous	\$71,025
799.10	Allocated A&G	\$3,326,633
815.00	BVES Direct A&G Labor	\$1,239,004
Total Admin and General Expense		\$9,110,167
DEPRECIATION AND AMORTIZATION		\$3,097,454
507.10	Property Taxes	\$1,423,720
507.20	Payroll Taxes	\$303,717
507.30	Local Taxes	\$429,501
Total Taxes Not on Income		\$2,156,939
TOTAL EXPENSE EXCLUDING INC TAXES		\$34,661,621
NET OPER REVENUE BEFORE INCOMES TAXES		\$10,638,379
908.00	State Taxes - Above the Line	\$430,907
909.00	Federal Taxes - Above the Line	\$1,689,658
Total Income Taxes		\$2,120,565
Net Operating Revenue		\$8,517,814
Rate Base		\$105,549,117
Rate of Return		8.07%

5.1.4. Comparison Chart of SOE Positions. The table below presents a comparative SOE chart for Test Year 2023. The chart presents BVES’s request, Cal Advocates’ recommendation, and the agreed-upon settlement amount.

Table 3

	BVES		Cal Advocates
	Application	Settlement	Report
	(1)		(2)
TOTAL ANNUAL REVENUE	50,280,509	45,300,000	42,540,187
BRRBA Amortization			
Total PPPC Revenues			
Total Operating Revenue	50,280,509	45,300,000	42,540,187
Supply Costs			
Supply Balancing Account			
Total SAC Costs			
SAC Amortization			
Net Supply Costs			
Purchased Power for Resale & provision for supply	12,248,128	12,248,128	12,248,128
TOTAL SUPPLY EXPENSE	12,248,128	12,248,128	12,248,128
BASE RATE REVENUES/REVENUE LESS SUPPLY EXPENSE	38,032,380	33,051,872	30,292,059
Uncollectibles	146,219	132,188	123,611
Customer Acct. Other	545,289	545,289	545,289
Operation Labor	2,348,186	2,348,186	2,348,186
All Other Operation Expenses Other than Customer Acct.	1,182,648	1,106,648	1,182,648
Total Operating Expenses	4,222,343	4,132,312	4,199,735
Maintenance Labor	229,210	229,210	229,210
All Other Maintenance Expense	4,508,044	3,687,411	1,687,967
Total Maintenance Expenses	4,737,254	3,916,621	1,917,177
TOTAL O&M EXCLUDING A&G	8,959,596	8,048,933	6,116,912
Office Supplies and Expense	582,527	582,527	449,375
Injuries and Damages	610,324	500,883	500,883
Pensions and Benefits	1,435,480	1,236,919	1,022,199
Regulatory Commission	645,184	645,184	640,622
Outside Services	1,852,393	1,507,992	1,121,921
Miscellaneous	71,025	71,025	71,025
Allocated A&G	3,326,633	3,326,633	3,326,633
BVES Direct A&G Labor	1,239,004	1,239,004	816,893
TOTAL A&G EXPENSE	9,762,571	9,110,167	7,949,551
DEPRECIATION AND AMORTIZATION	4,169,271	3,097,454	3,652,235
Property Taxes	1,423,720	1,423,720	1,423,720
Payroll Taxes	303,717	303,717	303,717
Local Taxes	476,766	429,501	403,311
TOTAL TAXES NOT ON INCOME	2,204,204	2,156,939	2,130,748
TOTAL EXPENSE EXCLUDING INC TAXES	37,343,770	34,661,621	32,097,574
NET OPER REVENUE BEFORE INCOME TAXES	12,936,739	10,638,379	10,442,613
State Taxes - Above the Line	744,382	430,907	452,378
Federal Taxes - Above the Line	2,170,135	1,689,658	1,585,038
TOTAL INCOME TAXES	2,914,517	2,120,565	2,037,416
Net Operating Revenue	10,022,222	8,517,814	8,405,198
Rate Base	110,742,782	105,549,117	110,449,388
Rate of Return	9.05%	8.07%	7.61%
Source: Col (1) BVES TY23GRC RO Model Errata 051623 R1			
Col (2) Cal Advocates-02			

5.2. Adjustments to Base Rate Revenue Requirements for Years 2024-2026.

For the years 2024 through 2026, Bear Valley requested in its Application base rate revenue requirements of \$40,476,052, \$43,268,541 and \$45,550,242 respectively, excluding Supply Cost revenues, representing annual increases in the Base Rate Revenue Requirement of \$2,443,671, \$2,792,489 and \$2,281,702 for the years 2024, 2025, and 2026. These requested base rate revenue requirements were based upon a traditional revenue requirements approach, similar to that which was used to develop the Test Year 2023 base rate revenue requirement.

Cal Advocates proposed annual increases in base rate revenue requirements for years 2024-2026 of \$1,560,135, \$1,554,542 and \$1,489,682, respectively.

After substantial negotiations, the Settling Parties agree to the following base rate revenue requirements (net of supply costs revenues) of \$35,251,872, \$37,968,568 and \$40,627,154 for 2024, 2025 and 2026, respectively. When combined with the supply cost revenues, the agreed-upon revenue requirements for the years 2024-2026 are reflected in the table below.

Table 4

2024 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 40,160,589	\$ 35,251,872	\$ 31,852,194
Plus Supply Cost	\$ 12,358,454	\$ 12,248,128	\$ 12,358,454
Total	\$ 52,519,043	\$ 47,500,000	\$ 44,210,648
2025 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 42,641,116	\$ 37,968,568	\$ 33,406,736
Plus Supply Cost	\$ 11,731,432	\$ 11,731,432	\$ 11,731,432
Total	\$ 54,372,548	\$ 49,700,000	\$ 45,138,168
2026 Revenue Requirement	BVES	Settlement	Cal Advocates
Base Rate	\$ 44,932,778	\$ 40,627,154	\$ 34,896,418
Plus Supply Cost	\$ 12,372,846	\$ 12,372,846	\$ 12,372,846
Total	\$ 57,305,624	\$ 53,000,000	\$ 47,269,264

Subject to the limitations in Section 8386.3(d)(1) the Settling Parties further agree that BVES may use the 2024-2026 base rate revenues (net of supply cost revenues) for expenses at Bear Valley's discretion.

5.3. Plant

5.3.1. Capital Budgets

BVES's Request and Cal Advocates' Position:

BVES requested a 2023-2026 capital budget (including CWIP Closed to Plant) totaling \$62,016,396, excluding the Snow Summit Expansion Project and the Radford Line Replacement Project, and Cal Advocates recommended \$49,802,872 be included in base rate revenue requirements.

Resolution:

The Settling Parties agree upon on a 2023-2026 capital budget of

\$52,475,755 to be included in base rate revenue requirements, as shown in Table 5 below. Table 5 provides a breakdown of the approved capital budgets by year for 2023 through 2026.

Table 5

Capital Budget	BVES	Settlement	Cal Advocates
2023	\$ 14,386,492	\$ 3,171,694	\$ 13,597,402
2024	\$ 14,812,869	\$ 23,198,123	\$ 12,284,531
2025	\$ 17,741,776	\$ 12,277,951	\$ 12,202,032
2026	\$ 15,075,259	\$ 13,827,987	\$ 11,718,907
Total	\$ 62,016,396	\$ 52,475,755	\$ 49,802,872

For the purpose of settlement, the Settling Parties agree to the 2023-2026 capital budget (and amounts for CWIP) as shown in Table 5 above. The Settling Parties agree that actual capital spending for the four years addressed in this proceeding (2023-2026) may vary from any forecast adopted by the Commission and that variances between adopted amounts and those that actually occur would not necessarily demonstrate imprudence or unreasonableness. The Settling Parties also agree that it is the utility's responsibility to manage the overall capital budget to assure safe and reliable service for customers.

The Settling Parties agree that the budget provides a pool of funds for capital projects that is less than the amount originally requested by BVES but sufficient for BVES to provide safe and reliable electric service during the GRC period at affordable rates. Subject to the limitations in Section 8386.3(d)(1) within this overall capital budget, BVES will have the flexibility to prioritize capital projects, including those not listed in the appendices to this Settlement Agreement, in order to best serve its customers.

See Exhibit A for a complete listing of the capital projects to be included in base rate revenue requirements.

Settling Parties agree to remove from this GRC: 1) the Partial Safety and Technical Upgrades to Village Substation Project (\$1,144,054) in 2025, and 2) the North Shore Support Project (\$2,614,256) in 2026 and defer these two projects to a future rate case.

Settling Parties agree to move \$10,927,574 of wildfire mitigation-related capital costs from 2023 to 2024.

Settling Parties agree to move the Safety and Technical Upgrades to Lake Substation Project (\$2,065,781) from 2025 to 2026.

In addition to the capital projects authorized in this Section 5.3.1, the Settling Parties agree the following authorized capital projects will not be funded from agreed-upon base rate revenue requirements in Sections 5.1.2 and Section 5.2, but BVES may seek recovery of prudently incurred costs through an advice letter filing.

5.3.2. Advice Letter Projects

In addition to any capital additions BVES determines to undertake and fund in accordance with Section 5.3.1 above, the Settling Parties agree that BVES is authorized to construct four additional projects and to seek cost recovery after completion through an Advice Letter filing. For the four Advice Letter Projects listed below, upon completion and placement into commercial operation, BVES will file a Tier 2 Advice Letter requesting implementation of new base rates (rather than a surcharge) to recover the costs of the Advice Letter Project through the BRRBA authorized base rate revenue requirement to reflect the effect of the increased authorized base rate revenue

requirements. The requested cost recovery shall include the construction costs of the project plus an accrued allowance for funds used during construction (“AFUDC”) calculated at the authorized rate of return on rate base approved in this Settlement. The four Advice Letter Projects are as follows:

- 1) Partial Safety and Technical Upgrades to Maltby Substation Project
- 2) Radford Line Project
- 3) Advanced Metering Infrastructure (AMI) Project
- 4) Switch and Field Device Automation Project

The Switch and Field Device Automation Project will be divided into three components. The first component will be the actual spend for the completed component of the project that is commercially operational and used and useful at year-end 2024, plus AFUDC, which will be filed for recovery with 2025 rates promptly following the issuance of the GRC decision via a Tier 2 Advice Letter. Actual additional incremental spend for 2025 (second component) that is commercially operational at year-end 2025, plus AFUDC, will be filed for recovery in the first quarter of 2026, including AFUDC, via a Tier 2 Advice Letter. Actual additional incremental spend for 2026 (third component) that is commercially operational at year-end 2026, plus AFUDC, will be filed for recovery in the first quarter of 2027 via a Tier 2 Advice Letter.

5.3.3. Snow Summit Added Facilities Project

BVES’s Request and Cal Advocates’ Position:

In BVES’s prior GRC Decision (D.19-08-027), the CPUC granted Bear Valley the authority to offer supplemental service to Snow Summit via an Added Facilities Agreement by installing two new 10 MW substations; one at the bottom of Snow Summit and the other one at the top. The two substations would be dedicated solely to serving Snow Summit load and

costs related to the new substations would be collected through rates in the Added Facilities Agreement. BVES and Snow Summit executed an Added Facilities Agreement. BVES estimated the cost of the Snow Summit Added Facilities Project will be \$10.8 million to be completed in 2024. BVES updated the MOC to be funded by Snow Summit to 1.3322% in this Application. Bear Valley forecasted the \$10.8 million of costs into rate base in 2024 with a corresponding offset in other operating revenues.

Cal Advocates opposed the Snow Summit Added Facilities Project based upon a) the uncertain and recently updated cost of the project, b) the uncertain acquisition of required permits, c) uncertainty of the timing of the project, and d) the absence of a historical comparable project. On July 28, 2023, Cal Advocates filed a joint stipulation with Snow Summit whereby Cal Advocates withdrew its opposition to the Snow Summit Substation Expansion Project, subject to the following conditions:

1. Snow Summit LLC will bear all of the capital costs and operation and maintenance expenses for the new substations, as required by the Added Facilities Agreement.
2. Snow Summit LLC will begin making the monthly payments required by the Added Facilities Agreement when the new substations begin commercial operation. Bear Valley Electric Service will book these payments to Other Operating Revenue.
3. The capital costs for the Snow Summit Expansion Project will not be added to BVES's rate base, and the estimated operation and maintenance costs for the new substations will not be included in BVES's forecasted expenses, as part of the decision in this proceeding. Instead, when the new substations are ready for commercial operation, BVES will file a Tier 2 advice letter requesting the Commission's approval to add the cost of the project to rate base and to add the operation and maintenance expenses

for the new substations to BVES's revenue requirement.

Resolution:

The Settling Parties agree to remove the capital costs for the Snow Summit Substation Expansion Project from BVES's rate base, and the estimated operation and maintenance costs for the new substations will not be included in BVES's forecasted expenses, as part of the decision in this proceeding. Instead, when the new substations are ready for commercial operation, BVES will file a Tier 2 advice letter requesting the Commission's approval to add the cost of the project, plus AFUDC, to rate base and to add the operation and maintenance expenses for the new substations to BVES's revenue requirement. BVES will offset the revenue requirement by the monthly payments from Snow Summit as calculated within the Advice Letter filing. BVES will book these payments to Other Operating Revenues. Additionally, the parties agree to modify Rule 2.H to update the MOC for this settlement from 1.4864% to 1.2488%. See Exhibit E for agreed upon changes to Rule 2H.

5.4. Depreciation and Working Cash

5.4.1. Composite Depreciation Rate

BVES's Request and Cal Advocates' Position:

BVES proposed a 2.90% composite depreciation rate based upon an updated depreciation study. Within this composite depreciation rate, BVES proposed a 15-year life curve for FERC Account 370, which includes all distribution meters. Additionally, BVES proposed to fully depreciate certain assets in FERC Accounts 5391, 5392, 5393, 5394, 5395, 5397, 5398 and 5399 that should have been fully retired pursuant to FERC Accounting Release 15 over the four-year rate cycle.

Cal Advocates opposes BVES's proposed 15-year life curve for FERC

Account 370, and instead recommends a 20-year life curve. Cal Advocates also opposed BVES's amortization of the fully retired assets over the four-year rate cycle and instead proposes those assets be amortized over an eight-year period.

Resolution:

The Settling Parties agree to a composite depreciation rate of 2.14%. Refer to Exhibit B for settled depreciation rates by FERC account.

5.4.2. Working Cash

BVES's Request and Cal Advocates' Position:

BVES forecasted weighted average working cash of \$680,600 for TY2023 and reported that BVES experienced an average of six Lag Days, which should be the multiplier used in its working cash calculation.

Cal Advocates opposes BVES's working cash determination and recommends a working cash total of \$412,068 for TY 2023.

Resolution:

The Settling Parties agree to a working cash component of rate base equal to \$500,000, \$515,000, \$530,000 and \$546,000 for the year-ending 2023 through 2026, respectively. Settling Parties agree to use BVES's revenue and expense lag days but to reduce the estimated impact per day to arrive at the settlement amount.

5.5. Forecasted Supply Related Expenses

BVES's Request and Cal Advocates' Position:

BVES forecasted supply-related costs of \$12,248,128, \$12,358,454, \$11,731,432 and \$12,372,846 for 2023 through 2026, respectively. Cal Advocates did not oppose these forecasted costs.

Resolution:

The Settling Parties agree to forecasted supply-related costs of \$12,248,128, \$12,248,128, \$11,731,432 and \$12,372,846 for 2023 through 2026, respectively.

5.6. Sales and Number of Customers

BVES’s Request and Cal Advocates’ Position:

BVES forecast of sales by revenue and customers by rate class are presented in Tables 6-A and 6-B below.

Table 6-A

2023-2026 Forecasted - Sales by Revenue Class (kWh)

RATE CLASS	2023	2024	2025	2026
Residential	84,194,726	85,175,782	86,267,954	87,383,773
Commercial	35,497,444	34,711,188	33,938,008	33,176,952
Power	13,092,685	20,207,500	20,207,500	20,207,500
Street Lighting	208,746	208,746	208,746	208,746
Total	132,993,602	140,303,216	140,622,209	140,976,971

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Table 6-B

2023 - 2026 Estimated Customer Count by Revenue Class, Full-Time Equivalent

Component	2023 Estimated	2024 Estimated	2025 Estimated	2026 Estimated
Residential	23,344	23,457	23,450	23,684
Commercial	1,474	1,472	1,469	1,466
Power	4	4	4	4
Street Lighting	4	4	4	4
Total	24,826	24,936	24,926	25,158

Resolution:

The Settling Parties agree to the following forecast of sales by revenue class and number of customers. Tables 6-C, which provides the settled sales by revenue class for 2023-2026 reflects removal of sales associated with the Snow Summit Added Facilities Project, consistent with Section 5.3.3. Table 6-D provides the settled number of customers for 2023-2026.

Table 6-C²2023-2026 Settlement - Sales by Revenue Class (kWh)

kWh Billing Determinants	Current 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Residential Permanent Service	40,364,797	39,892,123	39,456,529	39,094,666	38,738,862
Residential Non-Permanent Service	42,919,052	44,313,006	45,729,911	47,183,867	48,655,410
General Service - Small (A1)	16,993,881	16,926,480	16,857,723	16,788,848	16,719,889
General Service - Medium (A2)	7,620,423	7,440,226	7,262,910	7,067,667	6,874,264
General Service - Large (A3)	7,227,619	6,753,157	6,295,473	5,868,908	5,452,713
General Service - Time-of-Use (A4-TOU)	4,460,079	4,377,581	4,295,082	4,212,585	4,130,086
Time-of-Use Service (A5 TOU Secondary)	298,064	298,064	298,064	298,064	298,064
Time-of-Use Service (A5 TOU Primary)	13,092,685	13,092,685	13,092,685	13,092,685	13,092,685
Street Lighting	208,746	208,746	208,746	208,746	208,746
Total	133,185,347	133,302,068	133,497,124	133,816,036	134,170,718

² The sales forecast includes an additional 14,586 kWh for 2023-2026 to reflect billing determinants for the TOU-EV rate, which was a pilot program at the time of filing.

Table 6-D

2023 - 2026 Settlement Customer Count by Revenue Class, Full-Time Equivalent

Customer Forecast	Current 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Residential	23,232	23,344	23,457	23,450	23,684
Commercial	1,476	1,474	1,472	1,469	1,466
Power	4	4	4	4	4
Street Lighting	4	4	4	4	4
TOTAL	24,716	24,826	24,936	24,926	25,158

5.7. Expenses

5.7.1. Enhanced Vegetation Management Program

BVES's Request and Cal Advocates' Position:

The Enhanced Vegetation Management Program is an essential ongoing O&M wildfire mitigation program in Bear Valley's approved WMP. In this Application, BVES requested the following amounts for its Enhanced Vegetation Management Program:

	2023	2024	2025	2026
Enhanced Vegetation Management Program	\$3,516,464	\$3,384,765	\$3,300,732	\$3,280,489

Cal Advocates recommended a Test Year 2023 forecast for Enhanced Vegetation Management Program of \$2,243,992.

Resolution:

The Settling Parties agree to include an annual amount of \$2,700,000 in the revenue requirement for BVES's vegetation management activities for the years 2023 through 2026. Any BVES vegetation management amounts incurred annually that are above \$2.7 million and below the \$3.1 million Vegetation Management budget cap will be tracked in the VMBA. Settling

Parties agree that annually BVES will transfer any over- or under-collection in the VMBA, with interest, to the BRRBA for disposition. The VMBA tariff is provided in Exhibit C.

5.7.2. Other Ongoing Wildfire Mitigation Plan Expenses

BVES's Request and Cal Advocates' Position:

In this Application, BVES and Cal Advocates disagreed on the amount of Other Ongoing Wildfire Mitigation Plan Expenses as shown in the table below.

Resolution:

The Settling Parties agree on a total annual budget for Other Ongoing Wildfire Mitigation Plan expense for 2023 of \$1,670,434 (See Table below). The agreed upon budget for 2024, 2025 and 2026 will also include costs associated with the BVPP Safety and Environmental Compliance Service Program of \$75,464. The total annual budget for 2024, 2025 and 2026 will equal \$1,745,898. The Settling Parties also agree to update the WMPMA preliminary statement to reflect these approved programs. See Exhibit J for the preliminary statement on the WMPMA.

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O&M Program – Test Year 2023	BVES	Settlement	Cal Advocates
LiDar inspections of distribution electric lines and equipment	\$ 158,549	\$ 158,549	\$ 115,746
UAV HD Photography/ Videography & Infrared inspections of distribution electric lines and equipment	\$ 233,678	\$ 233,678	\$ 164,977
3 rd Party Ground Patrol	\$ 127,958	\$ 127,599	\$ 47,723
Forester Consulting Services	\$ 126,069	\$ 126,069	\$ 92,034
Weather Forecasting Services	\$ 34,948	\$ 34,948	\$ 25,513
Risk Assessment & Mapping & Resource Allocation Methodology	\$ 176,455	\$ 176,455	\$ 128,818
BVPP Safety and Environmental Compliance Service Program	\$ 75,464	\$ -	\$ -
EHS Technical Support	\$ 121,631	\$ 121,631	\$ 108,006
WMP & PSPS Outreach and Customer Support, Independent Evaluation of WMP	\$ 691,505	\$ 691,505	\$ 581,123
Total	\$ 1,746,257	\$ 1,670,434	\$ 1,263,940

5.8. Certain Rate Related Values

BVES's Request and Cal Advocates' Position:

The Settling Parties agree that the Franchise Fee value is based on a rate of 0.95%, and the uncollectibles value is based on a rate of 0.292%.

6. Rate of Return on Rate Base

6.1. Capital Structure.

Bear Valley proposed a capital structure of 61.8% equity and 38.2% debt. Cal Advocates proposed 57.0% equity and 43.0% debt. The Settling Parties agree to a capital structure of 57% equity and 43% debt, as reflected in the table below.

Table 7

	BVES	Settlement	Cal Advocates
Equity Ratio	61.80%	57%	57%
Debt Ratio	38.20%	43%	43%

6.2. Debt Cost.

Bear Valley proposed a debt cost of 5.51%. Cal Advocates did not take issue with Bear Valley's proposed debt cost. The Settling Parties agree to a debt cost of 5.51%.

Table 8

	BVES	Settlement	Cal Advocates
Cost of Debt	5.51%	5.51%	5.51%

6.3. Return on Equity

Bear Valley proposed a return on equity of 11.25% whereas Cal Advocates proposed a return on equity of 9.20%. The Settling Parties agree to a return on equity of 10.0%, as reflected in the table below.

Table 9

	BVES	Settlement	Cal Advocates
Return on Equity	11.25%	10.00%	9.20%

6.4. Rate of Return on Rate Base

The following table summarizes the calculation of the Rate of Return on Rate Base based on the settlement positions on capital structure, cost of debt, and Return on

Equity.

Table 10

	Capital Structure	Cost	Weighted Cost
Debt	43%	5.51%	2.37%
Equity	57%	10.00%	5.70%
Return on Rate Base			8.07%

7. Rate Base

Based upon the settled items noted in Sections 5.3 through 5.4 above, the Settling Parties agree to rate base values for 2023 through 2026, as set forth in the table below.

Table 11

	2023	2024	2025	2026
Rate Base	\$105,549,117	\$120,897,454	\$129,633,416	\$138,858,735

8. Special Requests

8.1. Special Request 1. Balancing and Memorandum Accounts

BVES's Request and Cal Advocates' Position:

Special Request 1 of BVES's Application is a request for amortization and continuation of various existing Balancing and Memorandum Accounts. BVES is requesting the disposition of specific BAMAs. The accounts identified in Volume 3, Direct Testimony, are a subset of Bear Valley's Balancing Accounts and Memorandum Accounts. Regarding accounts not included, BVES makes no requests for changes to them; these accounts shall remain open and operational, per the terms outlined on their respective Preliminary Statements. For most accounts included in Exhibit BVES3, BVES proposes to use its Base Revenue Requirement Balancing Account as the mechanism for disposition of the amounts booked into these accounts. BVES believes this process to be the

easiest, minimizes the accounts residuals, and is consistent with precedents. The Commission, on previous occasions, has approved of disposition of amounts in BVES's balancing accounts or memorandum accounts via transfer to its BRRBA. The Settling Parties agree that all costs booked in the BAMAs are prudent and reasonably incurred.

Item 1: The Energy Efficiency Balancing Account tracks that portion of funds collected through its PPP Surcharge allocated to the Energy Efficiency Program, and program expenses. The EE program was approved by the Commission and introduced in D.14-11-002. The EE Program has an authorized budget of \$200,000 per year, totaling \$800,000 over the four-year rate case period of 2013-2016 (A.12-02-013). In D.16-02-027 the Commission modified D.14-11-002 and authorized BVES to extend the four-year rate case an additional year to 2017, and also approved an increase in the EE Program of \$200,000 for 2017, resulting in a revised overall budget of \$1,000,000.

The balance in the EEBA, as of March 31, 2022, is an over-collection of \$83,977.

BVES proposes to transfer the amount accrued in its EEBA to the BRRBA and dispose of the transferred amount in a manner consistent with the BRRBA tariff provisions

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree once the account balance, plus accrued interest, is transferred to the BRRBA, the account shall be closed and its Preliminary Statement shall be removed from BVES's tariffs, via a Tier 1 advice letter filing.

Item 2: The Solar Initiative Balancing Account tracks the portion of funds collected through its PPP Surcharge allocated to the Solar Initiative Program, and expenses associated with the SI program. The SI program was approved by the Commission and introduced in D.14-11-002. The SI Program has an authorized budget of \$1,286,350 over 8 years or \$160,794 per year. The program reached capacity and was closed in April 2016.

The balance in the SIBA, as of March 31, 2022, is an over-collection of \$16,415.

BVES proposes to transfer the amount accrued in its SIBA to the BRRBA and dispose of the transferred amount in a manner consistent with the BRRBA tariff provisions

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree once the account balance, plus accrued interest, is transferred to the BRRBA, the account shall be closed and its Preliminary Statement shall be removed from BVES's tariffs, via a Tier 1 advice letter filing.

Item 3: The Transportation Electrification Pilot Program Balancing Account tracks expenses associated with the approved Destination Make-Ready Rebate Pilot Program and EV-TOU Pilot Rate Program. In D.18-09-034, the TEPPBA was authorized to record all expensed costs stemming from Bear Valley's two EV pilot programs. BVES incurred \$229,663 in expenses and \$6,120 in capital carrying costs, as of 03/31/2022, resulting in an undercollection of \$235,783 in the TEPPBA.

The balance in the TEPPBA, as of March 31, 2022, is an undercollection of \$235,783.

BVES proposes to transfer the amount accrued in its TEPPBA to the BRRBA and continue this account.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree to the account's balance, plus accrued interest, being transferred to the BRRBA and to continue the TEPPBA.

Item 4: The Base Revenue Requirement Balancing Account records the difference between BVES's adopted base rate revenue requirement and recorded actual revenues collected from base rates. The BRRBA is updated every GRC to reflect the new rate cycle and associated annual revenue requirements. BVES is authorized to file an advice letter for disposition of balances in the BRRBA. In this application, BVES is only seeking to update the BRRBA Preliminary Statement to reflect the adopted base revenue requirements for years 2023-2026.

BVES proposes to update the base rate revenue requirements in the BRRBA Preliminary Statement.

Cal Advocates do not oppose BVES's request.

Resolution:

The Parties agree that BVES shall update the revenue requirement data in the Preliminary Statement for the BRRBA, via a Tier 1 advice letter, to include the following:

The annual base rate revenue requirements are set forth below:

<u>Year</u>	<u>Annual Revenue Requirement</u>
2023	\$33,051,872
2024	\$35,251,872
2025	\$37,968,568
2026	\$40,627,154

The proposed revisions to the BRRBA Preliminary Statement can be found in Exhibit D.

Item 5: The Supply Adjustment Mechanism Balancing Account allows BVES to recover in rates the costs related to the Transmission Charge, and the Supply Charge and related adjustments. BVES set forth costs and revenues related to the Supply Adjustment Balancing Account during the period November 1, 2016 through December 31, 2021 (the “Review Period”), with a cumulative net under-collection balance of \$1,399,094 at the end of the Review Period. Cal Advocates had no objections.

In this application, BVES is not requesting disposition of the balance recorded in the SABA. BVES is merely being transparent by reporting the account’s existence.

Cal Advocates do not oppose BVES’s request.

Resolution:

The Settling Parties agree that BVES will continue to track supply costs and revenues and dispose of balances in this account consistent with its Preliminary Statement. The Settling Parties agree that the cumulative net under-collection balance in the Supply Adjustment Balancing Account as of December 31, 2021 was \$1,399,094.

Item 6: The Pension Balancing Account tracks the difference between pension costs allocated to BVES and authorized in rates by the Commission. BVES is authorized to adjust the annual revenue requirement in order to dispose of balances in the PBA. Annually, amounts accumulated in the PBA are transferred to the BRRBA for disposition.

In this application, BVES is only seeking to continue the PBA and keep the PBA Preliminary Statement open.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree that BVES shall continue the PBA.

Item 7: The 2018 General Rate Case Memorandum Account tracks the revenue differential between BVES base rates in effect, as of December 31, 2017, and base rates adopted in BVES's A.17-05-004. The account has been fully amortized with a zero balance and shall be closed by order of this application. BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree that BVES shall close the 2018 General Rate Case Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 8: The 1993 Federal Tax Reform Legislation Memorandum Account records the incremental revenue requirement effects associated with changes in the

Company's Federal and State tax liability and other expenses resulting from the 1993 Federal Tax Reform Legislation passed by Congress, consistent with the Commission's Resolution No. E-3331. The account has been fully amortized with a zero balance and shall be closed by order of this application. BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree that BVES shall close the 1993 Federal Tax Reform Legislation Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 9: The Bridge Funding Memorandum Account records the difference between the adopted bridge funding revenue requirements for the Energy Savings Assistance Program and the California Alternative Rates for Energy Program in Commission D.11-11-009 and the proposed revenue requirements requested in Application No. 11-06-018. The account has never had any entries, has a zero balance and shall be closed by order of this application. BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree that BVES shall close the Bridge Funding Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 10 The 2010 Tax Act Memorandum Account tracks, on a revenue requirement basis; (a) decreases in the utility's revenue requirement resulting from increases in its deferred tax reserve and (b) other direct changes in revenue requirement resulting from taking advantage of the "New Tax Law" as defined in Resolution L-411A.

The balance in the 2010 TAMA, as of March 31, 2022, is an over-collection of \$151,942.

BVES proposes to transfer the amount recorded in its 2010 TAMA to the BRRBA and close this account and remove it from the Preliminary Statement via a Tier 1 Advice Letter filing.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree to the account's balance, plus accrued interest, being transferred to the BRRBA. Additionally, BVES shall close the 2010 Tax Act Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 11: The California Consumer Privacy Act Memorandum Account tracks the incremental (not included in its revenue requirement) capital costs and expenses to implement the California Consumer Privacy Act of 2018 for the years 2020 and 2021. These costs include initial implementation and ongoing maintenance costs, and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018. The account has never had any entries, has a zero balance and shall be closed by order of this application. BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree that BVES shall close the California Consumer Privacy Act Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 12: The General Office Allocation Memorandum Account tracks the difference between the general office costs that are currently being collected in rates and BVES's currently authorized general office allocation. This account was authorized in D.09-06-010. The account has been fully amortized, has a zero balance and shall be closed by order of this application. BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree that BVES shall close the General Office Allocation Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 13: The General Rate Case Revenue Requirement Memorandum Account tracks the revenue differential between the BVES 2012 Revenue Requirement and the 2013 Revenue Requirement, adopted in BVES's General Rate Case Application No. 12-02-013. The account has been fully amortized, has a zero balance and shall be closed by order of this application. BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree that BVES shall close the General Rate Case Revenue Requirement Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 14: The RRRCMA was established in accordance with the Commission's Decision No. 19- 01-037, authorized BVES to track its costs associated with complying with the new reliability requirements imposed by Decision No. 16-01-008. In this application, BVES requests review and approval of all costs booked into the RRRCMA. Additionally, BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

The balance in the RRRCMA, as of March 31, 2022, is an undercollection of \$148,407.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree to the account's balance, plus accrued interest, being transferred to the BRRBA and the closure of the Reliability Reporting Requirements Compliance Memorandum Account and remove it from its Preliminary Statement, via a Tier 1 advice letter filing.

Item 15: The COVID-19 Pandemic Protection Memorandum Account was established in accordance with the Commission's Resolution No. M-4842 and the Governor's state of emergency declaration, which authorized BVES to record incremental costs and bill adjustments associated with providing customer protections during the COVID-19 pandemic. BVES is seeking authorization from the Commission to file a Tier 2 advice letter to amortize the balance in the

CPPMA, once all funding sources have been exhausted, and BVES desires to keep the CPPMA open until the pandemic is declared over.

The balance in the CPPMA, as of March 31, 2022, is an undercollection of \$630,556.

Cal Advocates opposes BVES's request for the recovery of \$630,556 because BVES has already applied the additional financial aid from the State of California in December 2022 to the total amount of \$630,556, reducing the total to be recovered to \$479,556. Cal Advocates recommends recovery of \$479,556, the total amount in the COVID-19 Pandemic Protection Memorandum Account after all financial aid has been applied.

Resolution:

At this time all sources of funding have been exhausted. Of the \$151,987 in financial aid received by BVES from the State of California's Arrearages Payment Program (CAPP 2.0), only \$138,384 was applied to customer arrearages. The Settling Parties agree to recover the remaining balance, as of March 31, 2022, of \$493,158. The Settling Parties agree to transfer the balance, plus accrued interest, to the BRRBA, close the COVID-19 Pandemic Protection Memorandum Account and remove it from the Preliminary Statement, via a Tier 1 advice letter filing.

Item 16: The Officer Compensation Program Memorandum Account tracks the difference between: (1) compensation for officers of the utility that is authorized in Golden State Water Company's ("GSWC") water operations General Rate Cases ("GRCs") or resolutions that have been allocated to the BVES-related electric operations and; (2) all compensation as defined by Public Utilities Code Section 706 that have been allocated to the BVES operations from GSWC's future GRCs for its water operations. BVES established its Officer Compensation Program

Memorandum Account in accordance with Public Utility Code Section 706, which states that all forms of compensation for officers of electrical corporations shall be paid solely by shareholders.

The balance in the OCMA, as of March 31, 2022, is an over-collection of \$895,748, which will be returned to BVES customers.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree to the account's balance, plus accrued interest, being transferred to the BRRBA and continue the Officer Compensation Program Memorandum Account.

Item 17: The Renewables Portfolio Standard Memorandum Account is to track the Renewables Portfolio Standard legal, and outside services costs associated with performing tasks related to advancing RPS Program goals. BVES is seeking recovery of the current undercollection in this account, via the implementation of a surcharge for a 12-month period. BVES is also seeking to keep the RPS open for future related costs.

The balance in the RPS, as of March 31, 2022, is an undercollection of \$320,265.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree to the account's balance being amortized over a 12-month period (\$0.00241/kWh) as a RPS surcharge, via a Tier 1 advice letter filing, and to continue the Renewables Portfolio Standard Memorandum Account.

Item 18: The Transportation Electrification Pilot Program Memorandum Account tracks the legal and consulting fees incurred for and during the proceeding and implementation of Pilot Programs - adopted in Commission Decision No. 18-09-034. Additionally, BVES is seeking authority to close this Preliminary Statement and remove it from its tariffs.

The balance in the TEPPMA, as of March 31, 2022, is an undercollection of \$19,058.

Cal Advocates do not oppose BVES's request.

Resolution:

The Settling Parties agree to the account's balance, plus accrued interest, being transferred to the BRRBA and the closure of the Transportation Electrification Pilot Program Memorandum Account and remove it from the Preliminary Statement, via a Tier 1 advice letter filing.

Item 19: Wildfire Related Accounts: These accounts are comprised of the 1.) Fire Hazard Prevention Memorandum Account, 2.) Fire Risk Mitigation Memorandum Account and 3) the Wildfire Mitigation (Implementation) Plan Memorandum Account.

- The FHPMA tracks all costs related to fire hazard prevention activities and measures related to requirements approved in D.09-08-029, including vegetation management. The balance in this account, as of March 31, 2022 is an undercollection of \$6,516,403.
- The FRMMA tracks costs incurred for fire risk mitigation that are not otherwise in BVES's revenue requirements. This account was established in accordance with Senate Bill 901, which amended Section 8386.4 of the California Public Utilities Code. The balance in this account, as of March

31, 2022 is an undercollection of \$2,108,581.

- The WMPMA was established in accordance with Assembly Bill 1054, which also amended Section 8386.4(a) of the California Public Utilities Code. The purpose of the account is to track costs incurred to implement the Commission-approved Wildfire Mitigation Plan that are not otherwise in BVES's revenue requirement. The balance in this account, as of March 31, 2022 is an undercollection of \$874,735.

BVES requested amortization of the undercollections in the aforementioned accounts by implementing a 36-month surcharge, via a Tier 1 advice letter filing. BVES requested that the FRMMA and WMPMA remain open. The WMPMA and the FRMMA will remain open to track any WMP and fire risk mitigation costs, respectively, not otherwise covered in GRC rates.

The balance in the Wildfire Related Accounts, as of March 31, 2022, total an undercollection of \$9,499,719.

Cal Advocates did not oppose BVES's request with respect to the FRMMA and the WMPMA. However, Cal Advocates opposed BVES's request related to the FHPMA, proposing a disallowance of \$3.15 million related primarily to increased contractor charges beginning in 2020 recorded to the FHPMA.

Resolution:

The Settling Parties agree to implement a 36-month surcharge to amortize the FRMMA (\$0.00509/kWh) and the WMPMA (\$0.00211/kWh) for balances requested by BVES through March 31, 2022. Settling Parties further agree that the FHPMA be recovered in rates through a 48-month surcharge (\$0.01217/kWh) for the balance through March 31, 2022. While the costs recorded to the FHPMA are to be recovered in rates, BVES agrees to forgo interest included in the FHPMA of \$300,000, which includes \$41,686 of interest requested by BVES in

this GRC application and \$258,314 of additional interest in BVES's subsequent filing for recovery of the remaining FHPMA costs that have accrued, consistent with BVES's Preliminary Statement. Recovery of the three accounts would be made via a Tier 1 advice letter filing. The FRMMA and WMPMA accounts shall remain open. Section 8.3 on Special Request 3, addresses recovery of the FHPMA, FRMMA and WMPMA for the period from April 1, 2022 through the date of a final decision in this proceeding.

Item 20: Public Purpose Program Adjustment Mechanism ("PPPAM"):

The purpose of the PPPAM is to specify the budgets, amortization and total revenue requirement levels for each of the Public Purpose Programs ("PPP"); to establish the PPP surcharge levels; and to specify the allocation factor for each PPP to be used to allocate the monthly funds produced by the PPP surcharges. The PPPAM also specifies the allocation factor for each PPP used to allocate the monthly funds produced by the surcharges to each authorized program. The PPPAM is not a rate; it identifies the rate levels and percentages for determining the amount of total unbundled revenue to be allocated to each PPP's balancing account. The PPP surcharge shall apply to each utility rate schedule, except as otherwise provided in the Preliminary Statement. The following programs/accounts that are currently part of BVES's PPPAM:

- California Alternative Rates for Energy
- Energy Savings Assistance
- California Energy Commission Research, Development & Demonstration
- California Energy Commission Renewables
- Energy Efficiency
- Solar Initiative
- Wildfire Natural Disaster Resiliency Rebuild

The revenue requirement associated with a specific PPP includes the sum of all budgeted expenses adopted and authorized program account amortization

associated with the PPP. BVES is authorized to review its PPPAM and associated programs accounts each year. Should BVES wish and find a need to, it is authorized to make modifications to its PPPAM revenue, allocation, and surcharge by filing a Tier 2 advice letter. BVES does not make any request to change or modify its PPPAM in this Application.

Cal Advocates did not oppose BVES's request with respect to the PPPAM.

Resolution:

The Public Purpose Program Adjustment Mechanism shall remain open. BVES will continue to review and revise its PPPC to reflect accurate and up-to-date revenue requirement through a Tier 2 advice letter filing.

Exhibit F of this Agreement presents a summary of the BAMA balances agreed to by the Settling Parties.

8.2. Special Request 2. Radford Line Advice Letter Project

The Radford Line Advice Letter Project is addressed in Section 5.3.2 above.

8.3. Special Request 3. Wildfire Mitigation Memorandum Accounts Recovery

BVES's Request and Cal Advocates' Position:

The WMPMA, the FRMMA and the FHPMA (collectively the "Wildfire Mitigation Memorandum Accounts") included in the request for amortizations in this general rate case are provided as of March 31, 2022. BVES will however continue to track costs in the three accounts after the March 31, 2022 date. This will leave a period between April 1, 2022 and the effective date of new rates approved in this Application whereby costs will continue to be tracked in BVES's Wildfire Mitigation Memorandum Accounts but will not be eligible for amortization as part of the GRC. BVES requests authorization to file a Tier 2 Advice Letter once all fire risk

mitigation costs, for the period April 1, 2022 through the effective date of the new GRC rates, are approved through a final decision in this proceeding. This would reflect all of the properly accounted for and booked costs to the appropriate Wildfire Mitigation Memorandum Account.

Cal Advocates reviewed BVES's testimony and determined that BVES's request pertaining to the Wildfire Mitigation Memorandum Accounts are reasonable. Cal Advocates does not oppose Bear Valley's request for the authority to file a Tier 2 Advice Letter to amortize wildfire mitigation costs incurred during the intermittent period beginning April 1, 2022 through to the effective date of the new GRC rates.

Resolution:

The Settling Parties agree that BVES is authorized to file a Tier 2 Advice Letter to request recovery to amortize wildfire mitigation costs tracked in the Wildfire Mitigation Memorandum Accounts during the period April 1, 2022 through the effective date of the new GRC rates. As noted in Section 8.1 above, BVES will forgo \$258,314 of accrued interest in the FHPMA.

8.4. Special Request 4. Cost of Capital Mechanism

BVES's Request and Cal Advocates' Position:

BVES requested Commission approval for a Cost of Capital Mechanism consistent with the mechanism approved for the other investor-owned electric utilities (San Diego Gas and Electric, Southern California Edison Company, Pacific Gas and Electric Company, and Southern California Gas Company). The CCM provides for automatic annual adjustments to BVES's authorized rate of return on rate base for changes in interest rates during the 4-year rate cycle. If triggered, the CCM would adjust BVES's return on equity, embedded cost of debt and the rate of return on rate base, upward or downward, if there is a change of more than 100 basis points in the average of the Moody's utility bond rate as measured over the period

October 1 through September 30. If the CCM is triggered, the current value of the index becomes the new benchmark value of the CCM.

Cal Advocates opposed BVES’s requested CCM on the grounds it lacked sufficient evidence and support, BVES did not prove undue risk and that there are issues that mitigate against the establishment of a CCM for BVES.

Resolution:

The Settling Parties reached agreement that BVES will withdraw its requested CCM without prejudice and agree to the cost of capital in Section 6.

9. Long Run Marginal Cost and Cost Allocation

9.1. Long Run Marginal Cost Study

BVES’s Request and Cal Advocates’ Position:

The long run marginal cost study submitted by Bear Valley develops marginal customer, transmission and distribution, and generation costs for each rate class or rate schedule. The results of Bear Valley’s initial LRMC study are shown in Table 12 below. The LRMC results shown in Table 12 (below) are from the LRMC study, which was provided in Exhibit TSL-2 in Exhibit BVES-07.

Table 12

Bear Valley Electric Service Marginal Cost of Service Allocation										
Marginal Cost of Service Class Allocation	Total Company	Residential Permanent	Residential Non-Permanent	A1 Commercial	A2 Commercial	A3 Commercial	A4 TOU	A5 Secondary	A5 Primary	A5 Street Lighting
Marginal Generation - Capacity	\$ 7,797,677	\$ 2,655,473	\$ 3,435,811	\$ 835,869	\$ 385,453	\$ 336,093	\$ 139,750	\$ -	\$ -	\$ 9,228
Marginal Generation - Energy	12,156,779	3,689,101	4,059,431	1,512,413	662,570	597,964	390,548	-	1,225,390	19,361
Marginal T&D - Coincident	26,383,578	8,543,605	11,003,603	2,714,281	1,249,381	1,090,716	463,522	-	1,288,358	30,112
Marginal T&D - Non-Coincident	11,068,969	3,594,491	4,260,981	1,701,811	568,990	508,222	240,826	-	169,825	23,824
Marginal Distribution - Customer	4,669,646	1,207,243	2,364,510	603,616	166,310	194,505	12,251	14,225	42,675	64,313
Total Marginal Costs	\$ 62,076,649	\$ 19,689,912	\$ 25,124,337	\$ 7,367,989	\$ 3,032,704	\$ 2,727,501	\$ 1,246,896	\$ 14,225	\$ 2,726,247	\$ 146,838
Total Marginal Costs %	100.00%	31.72%	40.47%	11.87%	4.89%	4.39%	2.01%	0.02%	4.39%	0.24%

Cal Advocates reviewed Bear Valley’s LRMC study and had no objection. Snow Summit objected to four issues in the LRMC: (1) inclusion of Resource Adequacy costs and other charges in development of marginal energy costs; (2) deletion of certain data in development of marginal distribution demand costs; (3) inclusion of wildfire mitigation costs in development of marginal distribution demand costs; and (4) allocation of marginal distribution demand costs to the A-5 Primary rate class when the rate class does not rely on distribution facilities. While Bear Valley did not agree with Snow Summit’s specific recommendations, Bear Valley did revise its marginal cost study for settlement purposes to remove investments related to expanded service to Snow Summit. The revised LRMC results are shown in Table 13 (below).

Table 13

Bear Valley Electric Service										
Marginal Cost of Service Allocation										
Marginal Cost of Service Class Allocation	Total Company	Residential Permanent	Residential Non-Permanent	A1 Commercial	A2 Commercial	A3 Commercial	A4 TOU	A5 Secondary	A5 Primary	Street Lighting
Marginal Generation - Capacity	\$ 7,442,507	\$ 2,534,521	\$ 3,279,316	\$ 797,797	\$ 367,896	\$ 320,785	\$ 133,385	\$ -	\$ -	\$ 8,808
Marginal Generation - Energy	10,950,265	3,324,924	3,655,895	1,362,300	597,037	538,683	351,656	-	1,102,368	17,401
Marginal T&D - Coincident	22,385,025	7,254,326	9,334,754	2,308,799	1,062,365	927,667	395,863	-	1,075,613	25,637
Marginal T&D - Non-Coincident	9,233,928	2,998,496	3,554,478	1,419,637	474,647	423,955	200,895	-	141,946	19,873
Marginal Distribution - Customer	3,392,542	852,914	1,757,815	436,620	116,147	135,838	8,556	9,934	29,803	44,914
Total Marginal Costs	\$ 53,404,266	\$ 16,965,182	\$ 21,582,258	\$ 6,325,152	\$ 2,618,092	\$ 2,346,927	\$ 1,090,355	\$ 9,934	\$ 2,349,730	\$ 116,634
Total Marginal Costs %	100.00%	31.77%	40.41%	11.84%	4.90%	4.39%	2.04%	0.02%	4.40%	0.22%

The Settling Parties agree to the results of Bear Valley’s LRMC study as set forth in Table 13 above.

9.2. Revenue Allocation for Test Year 2023

For the Test Year 2023 revenue allocation, BVES initially recommended revenue targets for each rate class using a combination of two methods: (1) 20.00 percent of the proposed revenue requirement based on the Equal Percentage of the Marginal Cost (EPMC) method and (2) 80.00 percent of the proposed revenue requirement based on the System Average Percentage (SAP) method. The results

of BVES proposed class revenue targets for Test Year 2023 is shown in Exhibit TSL-4, in Exhibit BVES-07, which is set forth below as Table 14 (below).

Table 14

Bear Valley Electric Service Determination of Revenue Targets										
Revenue Targets	Total Company	Residential Permanent	Residential Non-Permanent	A1 Commercial	A2 Commercial	A3 Commercial	A4 TOU	A5 Secondary	A5 Primary	Street Lighting
EPMC %	20.00%									
SAP %	80.00%									
Proposed Base Revenues										
80.00% of SAP Method	\$ 30,284,444	\$ 6,390,982	\$ 14,168,811	\$ 4,017,682	\$ 1,693,354	\$ 1,675,019	\$ 910,624	\$ 60,362	\$ 1,205,083	\$ 162,528
20.00% of EPMC Method	7,571,111	2,383,743	3,191,237	904,842	353,776	322,119	125,108	3,252	262,964	24,070
Proposed Base Revenues	\$ 37,855,555	\$ 8,774,725	\$ 17,360,048	\$ 4,922,524	\$ 2,047,131	\$ 1,997,138	\$ 1,035,732	\$ 63,614	\$ 1,468,046	\$ 186,597
Proposed Supply Revenues										
80.00% of SAP Method	\$ 9,798,503	\$ 2,921,720	\$ 3,538,915	\$ 1,143,706	\$ 417,555	\$ 455,500	\$ 346,025	\$ 19,459	\$ 944,028	\$ 11,594
20.00% of EPMC Method	2,449,626	778,855	920,122	288,277	128,656	114,666	65,100	-	150,430	3,510
Proposed Supply Revenues	\$ 12,248,128	\$ 3,700,585	\$ 4,459,038	\$ 1,431,983	\$ 546,211	\$ 570,166	\$ 411,125	\$ 19,459	\$ 1,094,457	\$ 15,103
Target Base + Supply Revenues	\$ 50,103,684	\$ 12,475,311	\$ 21,819,085	\$ 6,354,507	\$ 2,593,342	\$ 2,567,304	\$ 1,446,856	\$ 83,074	\$ 2,562,504	\$ 201,701
Based on 20.00% EPMC & 80.00% SAP										
Class Revenue Increase	\$ 10,534,823	\$ 2,895,373	\$ 5,079,593	\$ 1,256,630	\$ 484,720	\$ 330,426	\$ 162,741	\$ 3,915	\$ 281,394	\$ 40,031
Class Revenue Increase %	26.6%	30.2%	30.3%	24.7%	25.0%	14.8%	12.7%	4.9%	12.3%	24.8%

Cal Advocates did not agree with Bear Valley’s proposed blend of EPMC (20.00 percent) and SAP (80.00 percent). Cal Advocates proposed a class allocation method which relied only on the SAP method, as set forth in Table 15-A (below).

Table 15-A

Bear Valley Electric Service Determination of Revenue Targets										
Revenue Targets	Total Company	Residential Permanent	Residential Non-Permanent	A1 Commercial	A2 Commercial	A3 Commercial	A4 TOU	A5 Secondary	A5 Primary	Street Lighting
EPMC %	0.00%									
SAP %	100.00%									
Proposed Base Revenues										
100.00% of SAP Method	\$ 37,855,555	\$ 7,988,727	\$ 17,711,013	\$ 5,022,103	\$ 2,116,693	\$ 2,093,774	\$ 1,138,280	\$ 75,452	\$ 1,506,353	\$ 203,160
0.00% of EPMC Method	-	-	-	-	-	-	-	-	-	-
Proposed Base Revenues	\$ 37,855,555	\$ 7,988,727	\$ 17,711,013	\$ 5,022,103	\$ 2,116,693	\$ 2,093,774	\$ 1,138,280	\$ 75,452	\$ 1,506,353	\$ 203,160
Proposed Supply Revenues										
100.00% of SAP Method	\$ 12,248,128	\$ 3,652,150	\$ 4,423,644	\$ 1,429,632	\$ 521,943	\$ 569,375	\$ 432,531	\$ 24,324	\$ 1,180,034	\$ 14,492
0.00% of EPMC Method	-	-	-	-	-	-	-	-	-	-
Proposed Supply Revenues	\$ 12,248,128	\$ 3,652,150	\$ 4,423,644	\$ 1,429,632	\$ 521,943	\$ 569,375	\$ 432,531	\$ 24,324	\$ 1,180,034	\$ 14,492
Target Base + Supply Revenues	\$ 50,103,684	\$ 11,640,877	\$ 22,134,658	\$ 6,451,735	\$ 2,638,637	\$ 2,663,149	\$ 1,570,811	\$ 99,777	\$ 2,686,388	\$ 217,652
Based on 0.00% EPMC & 100.00% SAP										
Class Revenue Increase	\$ 10,534,823	\$ 2,060,940	\$ 5,395,165	\$ 1,353,858	\$ 530,015	\$ 426,271	\$ 286,696	\$ 20,618	\$ 405,278	\$ 55,982
Class Revenue Increase %	26.6%	21.5%	32.2%	26.6%	25.1%	19.1%	22.3%	26.0%	17.8%	34.6%

Snow Summit objected to Bear Valley’s cost allocation proposal. It believed that Bear Valley should move substantially faster towards marginal-cost rate allocation. Snow Summit proposed a class allocation method based on a blend of EPMC (30.00 percent) and SAP (70.00 percent), subject to class-specific caps of 13.00

percent, for Test Year 2023 as well as the attrition years. The class revenue targets are based on a blend of EPMC (30.00 percent) and SAP (70.00 percent) is set forth in Table 15-B (below).

Table 15-B

Bear Valley Electric Service Determination of Revenue Targets										
Revenue Targets	Total Company	Residential Permanent	Residential Non-Permanent	A1 Commercial	A2 Commercial	A3 Commercial	A4 TOU	A5 Secondary	A5 Primary	Street Lighting
EPMC %	30.00%									
SAP %	70.00%									
Proposed Base Revenues										
70.00% of SAP Method	\$ 26,498,889	\$ 5,592,109	\$ 12,397,709	\$ 3,515,472	\$ 1,481,685	\$ 1,465,642	\$ 796,796	\$ 52,817	\$ 1,054,447	\$ 142,212
30.00% of EPMC Method	11,356,667	3,575,615	4,786,855	1,357,263	530,664	483,178	187,661	4,879	394,445	36,105
Proposed Base Revenues	\$ 37,855,555	\$ 9,167,724	\$ 17,184,565	\$ 4,872,735	\$ 2,012,349	\$ 1,948,820	\$ 984,458	\$ 57,695	\$ 1,448,893	\$ 178,316
Proposed Supply Revenues										
70.00% of SAP Method	\$ 8,573,690	\$ 2,556,505	\$ 3,096,551	\$ 1,000,743	\$ 365,360	\$ 398,563	\$ 302,772	\$ 17,027	\$ 826,024	\$ 10,145
30.00% of EPMC Method	3,674,439	1,168,298	1,380,183	432,416	192,984	171,999	97,650	-	225,645	5,265
Proposed Supply Revenues	\$ 12,248,128	\$ 3,724,803	\$ 4,476,734	\$ 1,433,158	\$ 558,345	\$ 570,561	\$ 400,422	\$ 17,027	\$ 1,051,669	\$ 15,409
Target Base + Supply Revenues	\$ 50,103,684	\$ 12,892,527	\$ 21,661,299	\$ 6,305,894	\$ 2,570,694	\$ 2,519,381	\$ 1,384,879	\$ 74,722	\$ 2,500,562	\$ 193,726
<i>Based on 30.00% EPMC & 70.00% SAP</i>										
Class Revenue Increase	\$ 10,534,823	\$ 3,312,590	\$ 4,921,806	\$ 1,208,016	\$ 462,073	\$ 282,503	\$ 100,763	\$ (4,486)	\$ 219,452	\$ 32,056
Class Revenue Increase %	26.6%	34.6%	29.4%	23.7%	21.9%	12.6%	7.8%	-5.6%	9.6%	19.8%

The Settling Parties agree to the class revenue allocation of the Test Year 2023 revenue requirement shown on Table 16 (below). The results on Table 16-A incorporate the Test Year 2023 Revenue Requirement of \$45,300,000 described in Table 2 of Section 5 of this Settlement Agreement. As proposed in this settlement, the class revenue allocation is based on a blend of EPMC (10.00 percent) and SAP (90.00 percent).

Table 16

Bear Valley Electric Service Determination of Revenue Targets										
Revenue Targets	Total Company	Residential Permanent	Residential Non-Permanent	A1 Commercial	A2 Commercial	A3 Commercial	A4 TOU	A5 Secondary	A5 Primary	Street Lighting
EPMC %	10.00%									
SAP %	90.00%									
Proposed Base Revenues										
90.00% of SAP Method	\$ 29,746,684	\$ 6,346,560	\$ 13,789,758	\$ 3,937,180	\$ 1,661,319	\$ 1,669,866	\$ 895,726	\$ 59,423	\$ 1,230,527	\$ 156,326
10.00% of EPMC Method	3,305,187	1,037,791	1,398,837	394,766	153,967	140,026	54,759	1,365	113,421	10,257
Proposed Base Revenues	\$ 33,051,872	\$ 7,384,351	\$ 15,188,595	\$ 4,331,946	\$ 1,815,286	\$ 1,809,891	\$ 950,485	\$ 60,788	\$ 1,343,947	\$ 166,583
Proposed Supply Revenues										
90.00% of SAP Method	\$ 11,023,316	\$ 3,286,945	\$ 3,981,275	\$ 1,286,668	\$ 469,749	\$ 512,437	\$ 389,278	\$ 21,892	\$ 1,062,030	\$ 13,043
10.00% of EPMC Method	1,224,813	390,193	461,830	143,845	64,257	57,234	32,300	-	73,409	1,745
Proposed Supply Revenues	\$ 12,248,128	\$ 3,677,138	\$ 4,443,105	\$ 1,430,513	\$ 534,005	\$ 569,671	\$ 421,577	\$ 21,892	\$ 1,135,439	\$ 14,788
Target Base + Supply Revenues	\$ 45,300,000	\$ 11,061,489	\$ 19,631,700	\$ 5,762,458	\$ 2,349,291	\$ 2,379,562	\$ 1,372,062	\$ 82,680	\$ 2,479,386	\$ 181,372
<i>Based on 10.00% EPMC & 90.00% SAP</i>										
Class Revenue Increase	\$ 4,915,635	\$ 1,241,448	\$ 2,640,366	\$ 564,864	\$ 195,954	\$ 69,528	\$ 61,776	\$ 1,772	\$ 121,451	\$ 18,477
Class Revenue Increase %	12.2%	12.6%	15.5%	10.9%	9.1%	3.0%	4.7%	2.2%	5.2%	11.3%

9.3. Revenue Allocation, Years 2024-2026

Bear Valley proposed that annual increases in the base rate revenue requirement for the remaining three years of the GRC cycle (2024-2026) be implemented on a System Average Percent basis. Accordingly, the change in the annual revenue allocation, on a percentage basis, will vary by year, but the percent change across customer classes will be the same for all customer classes in a given year.

Cal Advocates agreed with Bear Valley’s recommendation to implement the Post 2023 revenue increases on an SAP basis.

Snow Summit recommended that the revenue allocation in the years 2024-2026 should be based on a blend of EPMC (30.00 percent) and SAP (70.00 percent), subject to class-specific caps of 13.00 percent, that continues movement toward a full EPMC allocation.

The Settling Parties agree the annual increases for the years 2024-2026 will be implemented on a SAP basis, as shown in Table 17 (below).

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Table 17³

Total Class Revenues Base and Supply Revenue Targets	Current 2022	Proposed 2023	Proposed 2024	Proposed 2025	Proposed 2026
Residential Permanent Service	\$ 9,820,041	\$ 11,061,489	\$ 11,598,691	\$ 12,135,894	\$ 12,941,698
Residential Non-Permanent Service	\$ 16,991,334	\$ 19,631,700	\$ 20,585,116	\$ 21,538,532	\$ 22,968,656
General Service - Small (A1)	\$ 5,197,595	\$ 5,762,458	\$ 6,042,313	\$ 6,322,167	\$ 6,741,949
General Service - Medium (A2)	\$ 2,153,337	\$ 2,349,291	\$ 2,463,385	\$ 2,577,478	\$ 2,748,619
General Service - Large (A3)	\$ 2,310,034	\$ 2,379,562	\$ 2,495,126	\$ 2,610,690	\$ 2,784,035
General Service - Time-of-Use (A4-TOU)	\$ 1,310,287	\$ 1,372,062	\$ 1,438,697	\$ 1,505,331	\$ 1,605,282
Time-of-Use Service (A5 TOU Secondary)	\$ 80,907	\$ 82,680	\$ 86,695	\$ 90,710	\$ 96,733
Time-of-Use Service (A5 TOU Primary)	\$ 2,357,935	\$ 2,479,386	\$ 2,599,798	\$ 2,720,209	\$ 2,900,827
Street Lighting	\$ 162,895	\$ 181,372	\$ 190,180	\$ 198,988	\$ 212,201
Total Revenues	\$ 40,384,365	\$ 45,300,000	\$ 47,500,000	\$ 49,700,000	\$ 53,000,000

9.4. Year 2023 Rates

Based upon the agreed upon: (i) revenue allocation method described in Section 9.2; (ii) the 2023 revenue requirement of \$45,300,000; (iii) and the sales and customer counts forecasts in Section 5.6, the calculation of the 2023 base rate and supply rate system average rates are shown, respectively, in Table 18-A and 18-B (below).

Table 18-A

Class Revenue Targets Base Revenues (\$/kWh)	Current 2022	Proposed 2023
Residential Permanent Service	\$ 0.151	\$ 0.185
Residential Non-Permanent Service	\$ 0.295	\$ 0.343
General Service - Small (A1)	\$ 0.221	\$ 0.256
General Service - Medium (A2)	\$ 0.212	\$ 0.244
General Service - Large (A3)	\$ 0.235	\$ 0.268
General Service - Time-of-Use (A4-TOU)	\$ 0.194	\$ 0.217
Time-of-Use Service (A5 TOU Secondary)	\$ 0.189	\$ 0.204
Time-of-Use Service (A5 TOU Primary)	\$ 0.089	\$ 0.103
Street Lighting	\$ 0.710	\$ 0.798
Total Revenues	\$ 0.211	\$ 0.247

³ Current 2022 adopted revenues updated to include adopted revenues associated with the Grid Modernization Advice Letter Project filed in Advice Letter 455-E.

Table 18-B

Class Revenue Targets Supply Revenues (\$/kWh)	Current 2022	Proposed 2023
Residential Permanent Service	\$ 0.092	\$ 0.092
Residential Non-Permanent Service	\$ 0.101	\$ 0.100
General Service - Small (A1)	\$ 0.085	\$ 0.085
General Service - Medium (A2)	\$ 0.071	\$ 0.072
General Service - Large (A3)	\$ 0.085	\$ 0.084
General Service - Time-of-Use (A4-TOU)	\$ 0.100	\$ 0.096
Time-of-Use Service (A5 TOU Secondary)	\$ 0.082	\$ 0.073
Time-of-Use Service (A5 TOU Primary)	\$ 0.091	\$ 0.087
Street Lighting	\$ 0.070	\$ 0.071
Total Revenues	\$ 0.093	\$ 0.092

9.5. Retail Rates for 2024, 2025, and 2026

The Settling Parties agree that revenue requirement for the years 2024-2026 shall increase annually by \$2,200,000 in 2024, \$2,200,000 in 2025, and \$3,300,000 in 2026. These dollar increases in the revenues represent annual percentage increases in BVES' overall revenue requirement of approximately 4.90%, 4.60%, and 6.60% for the years 2024-2026, respectively. Based on the 2023 cost allocation and customer rates, retail rates for 2024, 2025, and 2026 shall be developed as follows.

Given the timing of the final decision in this proceeding, BVES will implement 2025 rates.. The 2026 rates will reflect an additional revenue requirement of \$3,300,000, which will be allocated to each rate class via the SAP method. 2026 rates will be based on an adjustment to the 2025 energy rates for each rate class based on the class revenue requirement divided by the class sales forecast, which will be implemented at the time of the Tier 1 advice letter filing. For customer classes with multiple tiers, the energy rate shall be added to each tier on an equal cents per kilowatt-hour basis.

The following tables provide the calculation, by year and by customer class, of the anticipated increases due to agreed-upon total revenue requirement changes. The

Table 19-A

Class Base and Supply Revenue Targets	Current 2022	Proposed 2023	Proposed 2024	Proposed 2025
Residential Permanent Service	\$ 9,820,041	\$ 11,061,489	\$ 11,598,691	\$ 12,135,894
Residential Non-Permanent Service	16,991,334	19,631,700	20,585,116	21,538,532
General Service - Small (A1)	5,197,595	5,762,458	6,042,313	6,322,167
General Service - Medium (A2)	2,153,337	2,349,291	2,463,385	2,577,478
General Service - Large (A3)	2,310,034	2,379,562	2,495,126	2,610,690
General Service - Time-of-Use (A4-TOU)	1,310,287	1,372,062	1,438,697	1,505,331
Time-of-Use Service (A5 TOU Secondary)	80,907	82,680	86,695	90,710
Time-of-Use Service (A5 TOU Primary)	2,357,935	2,479,386	2,599,798	2,720,209
Street Lighting	162,895	181,372	190,180	198,988
Total Revenues	\$ 40,384,365	\$ 45,300,000	\$ 47,500,000	\$ 49,700,000

Class kWh Sales	Current 2022	Proposed 2023	Proposed 2024	Proposed 2025
Residential Permanent Service	40,364,797	39,892,123	39,456,529	39,094,666
Residential Non-Permanent Service	42,919,052	44,313,006	45,729,911	47,183,867
General Service - Small (A1)	16,993,881	16,926,480	16,857,723	16,788,848
General Service - Medium (A2)	7,620,423	7,440,226	7,262,910	7,067,667
General Service - Large (A3)	7,227,619	6,753,157	6,295,473	5,868,908
General Service - Time-of-Use (A4-TOU)	4,460,079	4,377,581	4,295,082	4,212,585
Time-of-Use Service (A5 TOU Secondary)	298,064	298,064	298,064	298,064
Time-of-Use Service (A5 TOU Primary)	13,092,685	13,092,685	13,092,685	13,092,685
Street Lighting	208,746	208,746	208,746	208,746
Total kWh Sales	133,185,347	133,302,068	133,497,124	133,816,036

Class kWh Base and Supply Revenue Targets (\$/kWh)	Current 2022	Proposed 2023	Proposed 2024	Proposed 2025
Residential Permanent Service	\$ 0.243	\$ 0.277	\$ 0.294	\$ 0.310
Residential Non-Permanent Service	0.396	0.443	0.450	0.456
General Service - Small (A1)	0.306	0.340	0.358	0.377
General Service - Medium (A2)	0.283	0.316	0.339	0.365
General Service - Large (A3)	0.320	0.352	0.396	0.445
General Service - Time-of-Use (A4-TOU)	0.294	0.313	0.335	0.357
Time-of-Use Service (A5 TOU Secondary)	0.271	0.277	0.291	0.304
Time-of-Use Service (A5 TOU Primary)	0.180	0.189	0.199	0.208
Street Lighting	0.780	0.869	0.911	0.953
Total \$/kWh	\$ 0.303	\$ 0.340	\$ 0.356	\$ 0.371

Table 19-B

Class	2026
Base and Supply Revenue Targets	Increase
Residential Permanent Service	\$ 805,804
Residential Non-Permanent Service	1,430,124
General Service - Small (A1)	419,782
General Service - Medium (A2)	171,140
General Service - Large (A3)	173,346
General Service - Time-of-Use (A4-TOU)	99,952
Time-of-Use Service (A5 TOU Secondary)	6,023
Time-of-Use Service (A5 TOU Primary)	180,618
Street Lighting	13,213
Total Revenues	\$ 3,300,000

Class kWh	2026
Sales	
Residential Permanent Service	38,738,862
Residential Non-Permanent Service	48,655,410
General Service - Small (A1)	16,719,889
General Service - Medium (A2)	6,874,264
General Service - Large (A3)	5,452,713
General Service - Time-of-Use (A4-TOU)	4,130,086
Time-of-Use Service (A5 TOU Secondary)	298,064
Time-of-Use Service (A5 TOU Primary)	13,092,685
Street Lighting	208,746
Total kWh Sales	134,170,718

Class kWh	2026
Base and Supply Revenue Targets (\$/kWh)	Increase
Residential Permanent Service	\$ 0.021
Residential Non-Permanent Service	0.029
General Service - Small (A1)	0.025
General Service - Medium (A2)	0.025
General Service - Large (A3)	0.032
General Service - Time-of-Use (A4-TOU)	0.024
Time-of-Use Service (A5 TOU Secondary)	0.020
Time-of-Use Service (A5 TOU Primary)	0.014
Street Lighting	0.063
Total \$/kWh	\$ 0.025

10. OTHER AGREED UPON TERMS AND CONDITIONS

10.1. Confirmation of Authority to Adjust Base Rate Revenue Requirements

Due to Allocation of General Office Costs.

The Settling Parties confirm and agree that BVES was previously authorized in D.14-11-002 to adjust the base rate revenue requirements through the Base Revenue Requirement Balancing Account advice letter process whenever the Commission authorizes a different revenue allocation to BVES for Golden State Water Company general office costs, common plant allocations, or pension and benefit costs.

10.2. Risk Based Decision Making Framework for GRCs.

BVES set forth its proposed risk-based decision-making framework and measures in its Application. BVES requested funding for its major controls, which included essential operating and capital expenditures. Where reasonable alternatives exist, Bear Valley's experts analyzed alternative mitigations to determine the most cost-effective options to reducing specific risks. This analysis included a comparison of the risk spend efficiency for each mitigation and its alternatives. Cal Advocates did not dispute Bear Valley's list of top risks, the magnitude of the risks posed, analysis of controls in place and risk-mitigation measures. The Settling Parties affirm the importance of the risk-based decision-making framework and associated mitigation measures and that the agreed-upon rate increases reflect a reasonable compromise between the Settling Parties' litigation positions, and provide BVES with a reasonable budget to manage its electric system to assure safe and reliable service for customers at affordable rates. BVES agrees to update annually the risk spend accountability report (RSAR) and report on the following projects and programs: Replace Radford Line, Covered conductor Installation, Tree Attachment Replacement Program, Substation Automation, Switch and Field Device Automation, Capacitor Maintenance and Replacement Program, Fuse TripSaver Automation, Safety and Technical Upgrades to Lake Substation, Evacuation Route Hardening- Wire Wrap Mesh, Fault Indicators for Detecting Faults on Electric Lines and Equipment, Partial

Safety and Technical Upgrades to Maltby Substation, Distribution Management Center, Server Room, Online Diagnostic System, BVPP Reliability Upgrades, Vegetation Management Program, Inspection of Distribution and Sub-transmission System (LiDAR Surveys, UAV HD Photography/Videography & Infrared surveys, and 3rd Party Ground Patrol), Forester Services, Weather Forecasting Services, and Risk Assessment & Mapping & Resource Allocation Methodology.

10.3. Disposition of General Rate Case Memorandum Account

In an Interim Decision on Motion for Memorandum Account, BVES was authorized to establish a General Rate Case Revenue Requirement Memorandum Account (“GRC Memo Account”). The GRC Memo Account tracks the revenue differential between the BVES base rates in effect as of December 31, 2022 and the BVES base rates adopted in this GRC. BVES is to track the differential beginning January 1, 2023 until the effective date of a final decision in this GRC proceeding. Interest is authorized to accrue on the balance beginning January 1, 2023, on a monthly basis by applying a rate equal to one-twelfth of the three-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning of month and end-of-month balances.

The Settling Parties agree that a separate surcharge will be established to amortize the balance in the GRC Memo Account over a 36-month period. To implement the surcharge, BVES shall file a Tier 2 advice letter within 90 days after the effective date of the final decision in this proceeding.

10.4. Pension Costs in Rates

In Decision 14-11-002, the Commission authorized BVES to establish the PBA for the purpose of tracking the difference between pension costs allocated to BVES and authorized in rates by the Commission and the actual BVES pension costs based on Accounting Standard Codification 715-10 Compensation – Retirement Benefits.

The Settling Parties agree that it is reasonable to establish the amount of pension expense included in Table 3 (SOE) that is incorporated in BVES's 2023 through 2026 base rate revenue requirement in order to facilitate the tracking of incremental costs in the PBA.

The Settling Parties agree that the actual pension expense recorded by BVES in 2023 is a reasonable amount for the authorized pension expense included in the 2023 settled adopted revenue requirement to be tracked in the PBA, and the authorized pension expense is \$69,757 for each of the years 2024, 2025 and 2026 used to be tracked against actual pension expense and included in the PBA.

10.5. New Positions on BVES Staff.

In Exhibit BVES-1, Chapter 5, Operation and Maintenance Expenses, Bear Valley requested six reorganized positions. Cal Advocates did not dispute this request. The Settling Parties agree to Bear Valley's request for the following six new staff positions: 1) Project Coordinator; 2) Account Analyst II; 3) Field Project Coordinator; 4) Journeyman Lineman; 5) Senior Power Plant Operator and 6) Power Plant Operator.

10.6. Next Rate Case Application Filed Prior to January 31, 2026.

The Settling Parties agree that BVES shall file its next general rate case application, with a 2027 Test Year, by January 31, 2026. The cost allocation and rate design components of the application shall be filed no later than six weeks after the filing of the application. The application shall include a four-year rate cycle. BVES may request to modify these filing dates for good cause through an appropriate procedural vehicle, and any such modification shall not be deemed an amendment of this Settlement. The base year for the next GRC application will be 2024.

10.7. Incorporation of Complete Agreement.

The terms of this Agreement are to be treated as a complete package and not as a collection of separate agreements on discrete issues. The Settling Parties

acknowledge that changes, concessions, or compromises by any Settling Party in one section of this Agreement resulted in changes, concessions, or compromises by the Settling Parties in other sections. Consequently, the Settling Parties agree to oppose any modification in each of the terms of this Agreement not agreed to by the Settling Parties who agreed on those terms. If the Commission does not approve this Agreement without modification, the Settling Parties shall promptly discuss the proposed modification and negotiate in good faith to achieve a resolution acceptable to the Settling Parties, and shall promptly seek Commission approval of the resolution so achieved.

10.8. Regulatory Approval.

The Settling Parties, by signing this Agreement, acknowledge that they support Commission approval of this Agreement and subsequent implementation of all provisions of the Agreement pursuant to a Commission order adopting this Agreement in this proceeding. The Settling Parties shall use their best efforts to obtain Commission approval of the Agreement. The Settling Parties shall jointly request that the Commission approve the Agreement without change, and find the Agreement to be reasonable, consistent with law and in the public interest. Should any Proposed Decision or Alternative Proposed Decision seek a modification of this Settlement Agreement (regardless of whether the Settlement Agreement has or has not been previously approved by the Commission), and should any Settling Party be unwilling to accept such modification, that Settling Party shall so notify the other Settling Party for the respective settlement within five business days of issuance of such Proposed Decision or Alternative Proposed Decision. The Settling Parties shall thereafter promptly discuss the proposed modification and negotiate in good faith to achieve a resolution acceptable to the Settling Parties, and shall promptly seek Commission approval of the resolution so achieved. Failure to resolve such proposed modification to the satisfaction of the Settling Parties, or to obtain Commission approval of such resolution promptly thereafter, shall entitle any Settling Party to terminate its participation from this Agreement through prompt notice to the other Settling Party.

10.9. Further Actions.

The Settling Parties acknowledge that this Settlement is subject to approval by the Commission. As soon as practicable after all the Settling Parties have signed the Settlement, the Settling Parties through their respective attorneys will prepare and file the Settlement Approval Motion. The Settling Parties will furnish such additional information, documents, or testimonies as the Commission may require for purposes of granting the Settlement Approval Motion and approving and adopting the Settlement.

10.10. No Personal Liability

None of the Settling Parties, or their respective employees, attorneys, or any other individual representative or agent, assumes any personal liability as a result of the Settling Parties executing this Settlement.

10.11. Non-Severability

The provisions of this Settlement are non-severable. If any of the Settling Parties fails to perform its respective obligations under this Settlement or takes or supports a position contrary to the provisions of this Settlement, the other Settling Parties may regard the Settlement as rescinded and seek appropriate action by the Commission.

10.12. Voluntary and Knowing Acceptance.

Each Settling Party hereto acknowledges and stipulates that it is agreeing to this Settlement freely, voluntarily, and without any fraud, duress, or undue influence by any other Settling Party. Each Settling Party has read and fully understands its rights, privileges, and duties under this Settlement, including its right to discuss this Settlement with its legal counsel, which has been exercised to the extent deemed necessary.

10.13. No Modification.

This Settlement constitutes the entire Settlement among the Settling Parties regarding the matters set forth herein, which may not be altered, amended, or

modified in any respect except as deemed necessary herein. All prior settlements, agreements, or other understandings, whether oral or in writing, regarding the matters set forth in this Settlement are expressly waived and have no further force or effect.

10.14. No Reliance.

None of the Settling Parties has relied or presently relies on any statement, promise, or representation by any other Settling Party, whether oral or written, except as specifically set forth in this Settlement. Each Settling Party expressly assumes the risk of any mistake of law or fact made by such Settling Party or its authorized representative.

10.15. Counterparts.

This Settlement may be executed in separate counterparts by the different Settling Parties hereto and all so executed will be binding and have the same effect as if all the Settling Parties had signed one and the same document. All such counterparts will be deemed to be an original and together constitute one and the same Settlement, notwithstanding that the signatures of all the Settling Parties and/or of a Settling Party's attorney or other representative do not appear on the same page of this Settlement or the related Settlement Approval Motion.

10.16. Binding Upon Full Execution

This Settlement will become effective and binding on each of the Settling Parties as of the date when it is fully executed. It will also be binding upon each of the Settling Parties' respective successors, subsidiaries, affiliates, representatives, agents, officers, directors, employees, and personal representatives, whether past, present, or future.

10.17. Commission Adoption Not Precedential.

In accordance with Rule 12.5 of the Commission's Rules of Practice and Procedure, this Agreement is not precedential in any other proceeding before the

Commission, except as expressly provided in this Agreement or unless the Commission expressly provides otherwise.

10.18. Enforceability.

The Settling Parties agree and acknowledge that after issuance of a Commission decision approving and adopting this Settlement, the Commission may reassert jurisdiction and reopen this proceeding to enforce the terms and conditions of this Settlement.

10.19. Finality.

Once fully executed by the Settling Parties and adopted and approved by a Commission decision, this Settlement fully and finally settles any and all disputes among and between the Settling Parties in this proceeding, unless otherwise specifically provided in the Settlement.

10.20. No Admission.

Nothing in this Settlement or related negotiations may be construed as an admission of any law or fact by any of the Settling Parties, or as precedential or binding on any of the Settling Parties in any other proceeding, whether before the Commission, in any court, or in any other state or federal administrative agency. Further, unless expressly stated herein this Settlement does not constitute an acknowledgement, admission, or acceptance by any of the Settling Parties regarding any issue of law or fact in this matter, or the validity or invalidity of any particular method, theory, or principle of ratemaking or regulation in this or any other proceeding.

10.21. Authority to Sign.

Each Settling Party who executes this Settlement represents and warrants to each other Settling Party that the individual signing this Settlement and the related Settlement Approval Motion has the legal authority to do so on behalf of the Settling Party.

11. ATTACHMENTS

Each of the Settling Parties has executed this Settlement as of the date appearing below their respective signatures

IN WITNESS WHEREOF, the Settling Parties have executed this Settlement effective as of October 31, 2024.

BEAR VALLEY ELECTRIC SERVICE, INC

PUBLIC ADVOCATES OFFICE

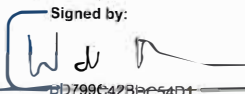




Title: President, Treasurer
Date: 10/31/2024 Secretary

Title: Asst. Deputy Director
Date: Oct 31, 2024

SNOW SUMMIT, LLC

Signed by:


Title: President/coo
Date: 11/1/2024

ATTACHMENT

EXHIBIT A

BVES Capital Projects	Settlement (1)
BVES 2023 Capital Projects	
Essential Ongoing Capital Improvement Projects and Vehicles	\$3,171,694
BVES 2024 Capital Projects	
Essential Ongoing Capital Improvement Projects and Vehicles	\$2,952,490
WMP Critical Projects (2023 - 2024)	
Substation Automation	\$1,375,976
Capacitor Bank Upgrade Project	\$710,003
Fuse TripSaver Automation	\$367,158
Covered Conductor Replacement Project	\$13,605,753
Evacuation Route Hardening Pilot Project	\$1,673,767
Tree Attachment Removal Project	\$1,265,820
Online Diagnostic System	\$173,766
Distribution Management Center	\$43,829
BVPP Upgrade Project	\$581,501
Fault Indicators	\$308,517
Server Room Project	\$139,543
Total	\$23,198,123
BVES 2025 Capital Projects	
Essential Ongoing Capital Improvement Projects and Vehicles	\$3,079,048
WMP Critical Projects	
Substation Automation	\$640,172
Capacitor Bank Upgrade Project	\$311,468
Fuse TripSaver Automation	\$133,601
Covered Conductor Replacement Project	\$6,650,991
Evacuation Route Hardening Project	\$794,070
Tree Attachment Removal Project	\$592,681
Online Diagnostic System	\$75,920
Total	\$12,277,951
BVES 2026 Capital Projects	
Essential Ongoing Capital Improvement Projects and Vehicles	\$3,288,112
WMP Critical Projects	
Capacitor Bank Upgrade Project	\$330,880
Fuse TripSaver Automation	\$131,530

Covered Conductor Replacement Project	\$6,597,238
Evacuation Route Hardening Project	\$787,652
Tree Attachment Removal Project	\$583,497
Online Diagnostic System	\$75,306
Safety and Technical Upgrades to Lake Substation	\$2,033,772
Total	\$13,827,987
Grand Total	\$52,475,755

(1) In 2022 dollars

Exhibit B		
Settlement Composite Depreciation Rates by FERC Account		
FERC Account	Description	Settled Position
301	1301 Intang Org	0.00%
302	1302 Intang Franchises & Consent	0.00%
303	1303 Intang Other	10.74%
341	3341 Gen Structure & Improvement	2.56%
342	3342 Gen Fuel Holders & Producers	2.52%
344	3344 Gen Generator	2.29%
345	3345 Gen Accessory Electrical	2.52%
346	3346 Gen Misc. Power Plant Equipment	2.34%
350	3350 Trans Land & L	0.00%
352	3352 Trans Struc & Improvements	0.00%
353	3353 Trans Station Equipment	1.88%
353	3353a Trans Station - Generator	1.52%
355	3355 Trans Poles & Fixtures	1.53%
356	3356 Trans OH Cond & Devices	1.24%
357	3357 Trans Undergrd Conduit	1.30%
358	3358 Trans Undergrd Cond & Devices	1.88%
360	4360 Dist Land & Land Rights	0.00%
361	4361 Dist Stru & Improvements	1.72%
362	4362 Dist Station Equipment	0.91%
364	4364 Dist Poles and Fixtures	1.44%
365	4365 Dist OH Cond & Devices	1.30%
366	4366 Dist UG Conduit	1.79%
367	4367 Dist UG Cond & Devices	1.96%
368	4368 Dist Line Transformers	1.52%
369	4369 Dist Services	0.43%
370	4370 Dist Meters	5.39%
373	4373 Dist Street Lght	4.60%
389	5389 Genl Land & La	0.00%
390	5390 Genl Structure & Improvements	2.03%
391	5391 Genl Off Furn	8.67%
3912	53912 Genl Computer Equipment	20.00%
392	5392 Genl Trans Equ - Light	2.87%
392	5392 Genl Trans Equ - Heavy	3.08%
393	5393 Genl Stores Equipment	9.70%
394	5394 Genl Tools, Shop. Gar Equip	7.74%
395	5395 Genl Lab Equip	0.00%
396	5396 Genl Pwr Oper	0.00%
397	5397 Genl Comm Equi	7.17%
398	5398 Genl Misc Equi	5.90%
399	5399 Genl Oth Tangi	0.86%
	Total	2.14%

EXHIBIT C

PRELIMINARY STATEMENTS

XX. VEGETATION MANAGEMENT BALANCING ACCOUNT

This Vegetation Management Balancing Account ("VMBA") records incremental expenses related to all vegetation management activities. BVES may amend the VMBA to include additional vegetation management activities, if required, by General Orders 95 and 165, and any other current or future order or decision by the Commission, for which the Commission has not already authorized rate recovery.

BVES's Vegetation Management 2023-2026 budget includes \$2.7 million in rates for vegetation management activities. Any BVES vegetation management amounts incurred that are above \$2.7 million and below the \$3.1 million Vegetation Management budget cap will be tracked in the VMBA.

1. PURPOSE

The purpose of the VMBA is to record the vegetation management incremental costs incurred by BVES but are not otherwise covered in BVES's revenue requirement.

These activities shall include, but not limited to, routine and enhanced Transmission and Distribution vegetation management; dead, dying, and diseased tree removal; and any other vegetation management activities.

2. APPLICABILITY

The VMBA applies to all customer classes and rate schedules, except for those specifically excluded by the Commission.

3. RATES

The VMBA does not have a rate component.

4. ACCOUNTING PROCEDURES

BVES shall maintain the VMBA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the VMBA at the end of each month to record incremental costs incurred for vegetation management activities.
- b. Interest shall accrue to the VMBA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate (non-financial), as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. EFFECTIVE DATE

The VMBA shall be effective on _____.

6. DISPOSITION

Annually, BVES will transfer any over- or under-collection in the VMBA, with interest, to the Base Revenue Requirement Balancing Account and such transferred amount shall be administered in accordance with the disposition provisions of the Base Revenue Requirement Balancing Account.

Issued By

Advice Letter No. _____

Paul Marconi

Date Filed _____

Rulemaking No. _____

President

Effective _____

Resolution No. _____

EXHIBIT D

PRELIMINARY STATEMENTS

V. BASE REVENUE REQUIREMENT BALANCING ACCOUNT

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

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. xx-xx-xxx are set forth below:

The annual revenue requirements are set forth below:	
<u>Year</u>	<u>Annual Revenue Requirement</u>
2023	\$33,051,872
2024	\$35,251,872
2025	\$37,968,568
2026	\$40,627,154

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

<u>Sales MWh by Month</u>	<u>Month</u>
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)

Advice Letter No. _____
Decision No. _____

Issued By
Paul Marconi
President

Date Filed _____
Effective _____
Resolution No. _____

PRELIMINARY STATEMENTS

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's 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) Pineknoll Substation Project or (ii) the Grid Automation Project.

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. xx-xx-xxx, 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.

EXHIBIT E

Rule No. 2
DESCRIPTION OF SERVICE

H. Added Facilities (Continued)

2. (Continued)

- c. Monthly Ownership Charge for Substation-Level Service. The following monthly ownership charges for substation-level service include a replacement component and are applicable to Added Facilities Agreements for their duration:
 - 1) Applicants being served by the Utility-financed Added Facilities shall pay a Monthly Ownership Charge of 1.2488% for capital and operations and maintenance (O&M) cost components including: rate of return, depreciation rates, administrative and general (A&G) expense, Franchise Fees and Un-collectibles (FF&U), ad valorem tax, insurance, Federal income tax, State income tax, and O&M expense. An included replacement component allows the Utility to provide replacement facilities, if needed, at no additional cost to the customer during the term of the Added Facilities Agreement.
 - 2) Applicants being served by the customer-financed Added Facilities shall pay a Monthly Ownership Charge of 0.270% for operations and maintenance (O&M) cost components including administrative and general (A&G) expense, Franchise Fees and Un-collectibles (FF&U), ad valorem tax, insurance, and O&M expense. An included replacement component allows the Utility to provide replacement facilities, if needed, at no additional cost to the customer during the term of the Added Facilities Agreement.
 - 3) Where existing facilities are allocated for applicant's use as Added Facilities, the applicant shall pay a monthly ownership charge for the Added Facilities of 1.2488% of the Utility's Reconstruction Cost New Less Depreciation value of that portion of the existing facilities which are allocated to the customer as Added Facilities.
- d. Monthly Ownership Charge for Non-Substation Level Service. Upon receipt of an application by a customer seeking non-substation level service from Added Facilities, Utility shall develop a Monthly Ownership Charge for such requested service and an Added Facilities Agreement with such changes, if any, as may be appropriate. If the customer executes an Added Facilities Agreement with the newly developed Monthly Ownership Charge, Utility shall file a Tier 2 Advice Letter to seek approval of such Added Facilities Agreement.
- e. Where the Utility determines that there are unacceptable credit risks regarding the collection of continuing monthly ownership charges, the applicant will be required to provide credit enhancement measures acceptable to the Utility in its sole opinion, or make an equivalent one-time payment in lieu of the monthly ownership charges for a 20-year term. The applicable payment options, if any, will be selected solely by the Utility.
- f. All monthly ownership charges shall be reviewed and refiled with the Commission when changes occur in the Utility's costs for providing such service. However, the Utility will not re-file if the Utility's cost change is less than 10 basis points.

(Continued)

Advice Letter No. _____
Decision No. _____

Issued By
Paul Marconi
President

Date Filed _____
Effective _____
Resolution No. _____

EXHIBIT F

Bear Valley Electric Service inc						
Balancing and Memorandum Account Amortizations Summary						
Exhibit F						
Balancing Account/Memo Account	Description of Account	Balance as of 3/31/2022	Sales	\$/kWh	Duration	Note
Energy Efficiency Balancing Account	This account tracks PPP Surcharge allocable to the Energy Efficiency ("EE") Program costs. This is an interest bearing one-way account where over-expenditures are not recovered.	\$ (83,977)		\$ -		Transfer balance to BRRABA; Close
Solar Initiative Balancing Account	This account tracks the PPP Surcharge funds allocated to the SI Program. This is an interest bearing one-way account where over-expenditures are not recovered.	\$ (16,415)		\$ -		Transfer balance to BRRABA; Close
Transportation Electrification Pilot Program Balancing Account	This account records costs associated with the approved Destination Make-Ready Rebate Pilot Program and EV-TOU Pilot Rate Program. BVES may utilize a 12 percent cost contingency to ensure that any under-or-over collections associated with the authorized transportation electrification projects are amortized annually in distribution rates. This is a one-way balancing account.	\$ 235,783		\$ -		Transfer balance to BRRABA; Continue
Base Revenue Requirement Balancing Account	This account records the difference between BVES adopted Base Revenue Requirements and the recorded revenues from base rates.	\$ -		\$ -		BVES will dispose of the balance in this account via the directives in its Preliminary Statement; Continue.
Supply Adjustment Mechanism	This account recovers in rates the costs related to the Transmission Charge and the Supply Charge in the Supply Adjustment Balancing Account reflects an undercollection or an over-collection, respectively.	\$ -		\$ -		BVES will dispose of the balance in this account via the directives in its Preliminary Statement; Continue
Pension Balancing Account	This account tracks the difference between (a.) Pension costs allocated to BVES and (b.) Actual BVES pension costs based on Accounting Standard Codification 715-10 ("ASC 715-10"), Compensation – Retirement Benefits.	\$ -		\$ -		BVES will dispose of the balance in this account via the directives in its Preliminary Statement; Continue.
2018 General Rate Case Memorandum Account	This account tracks the revenue differential between the base rates in effect as of December 31, 2017 until there is a final decision in A.17-05-004.	\$ -		\$ -		Zero Balance; Close.
1993 Federal Tax Reform Legislation Memorandum Account	This account records only the incremental revenue requirement effects associated with changes in the Company's Federal and State tax liability and other expenses resulting from the 1993 Federal Tax Reform Legislation passed by Congress, consistent with Resolution E-3331.	\$ -		\$ -		Zero Balance; Close.
Bridge Funding Memorandum Account	This account records the difference between the adopted bridge funding revenue requirements for the Energy Savings Assistance ("ESA") Program and the California Alternative Rates for Energy ("CARE") Program in Commission Decision No. 11-11-009 and the proposed revenue requirements requested in Application ("A.") 11-06-018.	\$ -		\$ -		Zero Balance; Close.
2010 Tax Act Memorandum Account	This account is established in accordance with CPUC Resolution L-411A. The purpose of this memorandum account is to track on a CPUC-jurisdictional, revenue requirement basis the impacts of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 ("The New Tax Law") not otherwise reflected in rates from April 14, 2011 until the effective date of the revenue requirement changes in the Utility's next General Rate Case ("Memo Account Period").	\$ (151,942)		\$ -		Transfer balance to BRRABA; Close.
California Consumer Privacy Act Memorandum Account	This account tracks the incremental (not included in its General Rate Case) capital costs and expenses to implement the California Consumer Privacy Act of 2018. These costs may include initial implementation and ongoing maintenance costs, and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018 during 2020 and 2021.	\$ -		\$ -		Zero balance; Close
General Office Allocation Memorandum Account	This account tracks the difference between the general office costs that are currently being collected in rates and BVES' currently authorized general office allocation. This advice letter is being filed in accordance with Ordering Paragraph No. 2 in Decision No. ("D.") 09-06-010.	\$ -		\$ -		Zero balance; Close
General Rate Case Revenue Requirement Memorandum Account	This account tracks the revenue differential between the Bear Valley Electric Service 2012 Revenue Requirement and the 2013 Revenue Requirement, adopted in GSWC's General Rate Case Application No. 12-02-013. GSWC will track the differential beginning on January 1, 2013 until there is a final decision rendered in Application No. 12-02-013. This account was established pursuant to Ordering Paragraph No. 1 in Decision No. 12-08-006.	\$ -		\$ -		Zero balance; Close
Reliability Reporting Requirements Compliance Memorandum Account	This account is established in accordance with the Commission's Decision No. 19-01-037, dated January 31, 2019, which authorized BVES to track its costs associated with complying with the new reliability requirements imposed by Decision No. 16-01-008, dated January 14, 2016. Golden State Water Company ("GSWC") shall maintain the RRRCMA for its Bear Valley Electric Service ("BVES") Division.	\$ 148,407		\$ -		Transfer balance to BRRABA; Close
COVID-19 Pandemic Protection Memorandum Account	This account records incremental costs and bill adjustments associated with the state of emergency related to COVID-19. This account record costs by customer class associated with protections ordered by Resolution M-4842.	\$ 493,158		\$ -		Transfer balance to BRRABA; Close
Officer Compensation Program Memorandum Account	This account is established pursuant to Public Utilities Code Section 706, as enacted by Senate Bill 901 (2018, Dodd). The OCMA tracks the difference between (1) compensation for officers of the utility that is authorized in GSWC's water operations General Rate Cases ("GRCs") or resolutions that have been allocated to the electric operations and; (2) all compensation as defined by Public Utilities Code Section 706 that have been allocated to the electric operations from GSWC's future GRCs for its water operations.	\$ (895,748)		\$ -		Transfer balance to BRRABA; Keep open
Renewables Portfolio Standard Memorandum Account	This account records the Renewables Portfolio Standard ("RPS") legal, and outside services costs associated with performing tasks related to advancing RPS Program goals.	\$ 320,265		\$ 0.00241	12 months	Amortize; Keep open.
Transportation Electrification Pilot Program Memorandum Account	This account records the legal and consulting fees incurred during the development of the application for the BVES Transportation Electrification Pilot Programs, which were adopted in Commission Decision No. 18-09-034.	\$ 19,058		\$ -		Transfer balance to BRRABA; Close.
California Alternate Rates For Energy Balancing Account	This account tracks the Public Purpose Program Surcharge (PPP Surcharge) funds produced by the PPC-OLI Tariff allocable to CARE, and CARE programs costs.	\$ -		\$ -		To be addressed in the Public Purpose Program Adjustment Mechanism-Tier 2 Advice Letter.
Energy Savings Assistance Balancing Account	This account tracks the Public Purpose Program Surcharge (PPP Surcharge) funds allocable to ESA Program costs. This is an interest bearing one-way account where over-expenditures are not recovered.	\$ -		\$ -		To be addressed in the Public Purpose Program Adjustment Mechanism-Tier 2 Advice Letter.
Wildfire and Natural Disaster Resiliency Rebuild Program Balancing Account	This account tracks payments issued for BVES's participation in the Wildfire and Natural Disaster Resiliency Rebuild ("WDRR") program, and track recovery of these payments...This account will expire in one year unless otherwise directed by the Commission.	\$ -		\$ -		To be addressed in the Public Purpose Program Adjustment Mechanism-Tier 2 Advice Letter.
Solar Initiative Balancing Account	This account tracks and defer revenues from the sale of GHG allowances for subsequent allocation to eligible customer classes. The GHGARBA will record the amount of GHG revenues actually returned to customers, and the actual amount of GHG revenues BVES receives through consigning allowances to the cap-and-trade auction. GHGARBA is established pursuant to D.21-08-026.	\$ -		\$ -		To be addressed in the Public Purpose Program Adjustment Mechanism-Tier 2 Advice Letter.
CEC-Renewable Balancing Account	This account records the revenues and expenses associated with Commission authorized payments for CEC Renewable Energy Programs (Renewables).	\$ -		\$ -		To be addressed in the Public Purpose Program Adjustment Mechanism-Tier 2 Advice Letter.
CEC- Research, Development and Demonstration Balancing Account	This account records the revenues and expenses associated with Commission authorized payments for the CEC RD&D Program.	\$ -		\$ -		To be addressed in the Public Purpose Program Adjustment Mechanism-Tier 2 Advice Letter.

EXHIBIT G

Bear Valley Electric Service inc						
Balancing and Memorandum Account Amortizations Summary						
Exhibit G						
Balancing Account/Memo Account	Description of Account	Balance as of 3/31/2022	Sales	S/kWh	Duration	Note
Wildfire Mitigation Plan Memorandum Account	This account is established in accordance with Assembly Bill 1054, which amends Section 8386.4(a) of the California Public Utilities Code. The California Public Utilities Commission's Decision No. 19-05-040, dated May 30, 2019, authorized the establishment of the WMPMA.	\$ 874,735		\$ 0.00211	36 months	Amortize; Keep open
Fire Hazard Prevention Memorandum Account	This account records all fire hazard prevention costs related to activities necessary to implement the requirements of D.09-08-029 that have not been previously authorized for recovery in BVES' General Rate Case or other regulatory proceeding.	\$ 6,474,717 /1	132,993,602.00	\$ 0.01217	48 months	Amortize; Close
Fire Risk Mitigation Memorandum Account	This account tracks costs incurred for fire risk mitigation that are not otherwise in BVES's revenue requirements. This memorandum account does not include costs recorded in other BVES memorandum accounts.	\$ 2,108,581		\$ 0.00509	36 months	Amortize; Keep open
/1 The balance in the Fire Hazard Prevention Memorandum Account, as of March 31, 2022, is \$6,516,403 - \$41,686 (interest)= \$6,474,717. Reference Page 130 in Volume 2 Direct Testimony - Wildfire Matters						

EXHIBIT H

		RATES	
		SUMMER SUPPLY RATES	WINTER SUPPLY RATES
D	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.05085	\$ 0.05085
	Tier 2 Energy	\$ 0.08248	\$ 0.08248
	Tier 3 Energy	\$ 0.20058	\$ 0.20058
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal D		
DLI	Min Bill		
	Cust Charge	\$ -	
	Tier 1 Energy	\$ 0.04306	\$ 0.04306
	Tier 2 Energy	\$ 0.06835	\$ 0.06835
	Tier 3 Energy	\$ 0.16284	\$ 0.16284
	Transmission	\$ 0.01523	\$ 0.01523
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal DLI		
DE	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.03134	\$ 0.03134
	Tier 2 Energy	\$ 0.04715	\$ 0.04715
	Tier 3 Energy	\$ 0.10621	\$ 0.10621
	Transmission	\$ 0.00952	\$ 0.00952
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal DE		
DO	Min Bill		
	Min Bill Equation Adj Factor		
	Cust Charge		
	Tier 1 Energy	\$ 0.08427	\$ 0.08427
	Tier 2 Energy	\$ 0.08427	\$ 0.08427
	Tier 3 Energy	\$ 0.08427	\$ 0.08427
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal DO			

		RATES	
		SUMMER SUPPLY RATES	WINTER SUPPLY RATES
DLS	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.05085	\$ 0.05085
	Tier 2 Energy	\$ 0.08248	\$ 0.08248
	Tier 3 Energy	\$ 0.20058	\$ 0.20058
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal DLS		
D ALL E	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.05085	\$ 0.05085
	Tier 2 Energy	\$ 0.08248	\$ 0.08248
	Tier 3 Energy	\$ 0.20058	\$ 0.20058
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal D ALL E		
NEMR	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.12458	\$ 0.12458
	Tier 2 Energy	\$ 0.12458	\$ 0.12458
	Tier 3 Energy	\$ 0.12458	\$ 0.12458
	Transmission		\$ -
	Base Adjustment		\$ -
	Supply Adjustment		\$ -
	Surcharges		
	Subtotal NEMR		
DM	Min Bill		
	Cust Charge		\$ -
	Tier 1 Energy	\$ 0.05085	\$ 0.05085
	Tier 2 Energy	\$ 0.08248	\$ 0.08248
	Tier 3 Energy	\$ 0.20058	\$ 0.20058
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment Rate		
	Supply Adjustment Rate		
	Surcharges		
	Subtotal DM		
DMS - SERVICE CHARGE	Min Bill		
	Cust Charge		
	Discount Per Unit Occupied		
	Spaces Occupied		
	Total Seasonal Occupied Spaces		

		RATES	
		SUMMER SUPPLY RATES	WINTER SUPPLY RATES
DMS - Perm	Tier 1 Energy	\$ 0.05085	\$ 0.05085
	Tier 2 Energy	\$ 0.08248	\$ 0.08248
	Tier 3 Energy	\$ 0.20058	\$ 0.20058
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal DMS - Perm			
DMS - Low Income	Tier 1 Energy	\$ 0.04306	\$ 0.04306
	Tier 2 Energy	\$ 0.06835	\$ 0.06835
	Tier 3 Energy	\$ 0.16284	\$ 0.16284
	Transmission	\$ 0.01523	\$ 0.01523
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal DMS - Low Income			
DMS - Life Support	Tier 1 Energy	\$ 0.05085	\$ 0.05085
	Tier 2 Energy	\$ 0.08248	\$ 0.08248
	Tier 3 Energy	\$ 0.20058	\$ 0.20058
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal DMS - Life Support			
DMS - Seasonal	Tier 1 Energy	\$ 0.08427	\$ 0.08427
	Tier 2 Energy	\$ 0.08427	\$ 0.08427
	Tier 3 Energy	\$ 0.08427	\$ 0.08427
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal DMS - Seasonal			
SUBTOTAL DMS			
TOU-EV-1	On-Peak Winter		
	Off-Peak Winter		
	Super Off-Peak Winter		
	On-Peak Summer		
	Off-Peak Summer		
	Super Off-Peak Summer		
	Subtotal TOU-EV-1		

		RATES	
		SUMMER SUPPLY RATES	WINTER SUPPLY RATES
A1	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.05944	\$ 0.05944
	Tier 2 Energy	\$ 0.09916	\$ 0.09916
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A1			
TOU-EV-2	On-Peak Winter		
	Off-Peak Winter		
	Super Off-Peak Winter		
	On-Peak Summer		
	Off-Peak Summer		
	Super Off-Peak Summer		
	Subtotal TOU-EV-2		
A2	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.05472	\$ 0.05472
	Tier 2 Energy	\$ 0.08987	\$ 0.08987
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A2			
GSD	Min Bill		
	Cust Charge		
	Demand Charge		
	All Energy	\$ 0.07639	\$ 0.07639
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal GSD			
A3	Min Bill		
	Cust Charge		
	Demand Charge		
	Tier 1 Energy	\$ 0.08282	\$ 0.08282
	Tier 2 Energy	\$ 0.13999	\$ 0.13999
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
Surcharges			
Subtotal A3			

		RATES	
		SUMMER SUPPLY RATES	WINTER SUPPLY RATES
NEMC	Min Bill		
	Cust Charge		
	Demand Charge		
	Tier 1 Energy	\$ 0.06334	\$ 0.06334
	Tier 2 Energy	\$ 0.06334	\$ 0.06334
	Tier 3 Energy	\$ 0.06334	\$ 0.06334
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal NEMC			
A4 TOU	Min Bill		
	Cust Charge		
	On-Peak Demand Charge		
	On-Peak Energy	\$ 0.11179	\$ 0.11179
	Mid-Peak Energy	\$ 0.08751	\$ 0.08751
	Off-Peak Energy	\$ 0.07133	\$ 0.07133
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A4 TOU			
EV-TOU-3	Demand Charge Winter		
	Demand Charge Summer		
	On-Peak Winter		
	Off-Peak Winter		
	Super Off-Peak Winter		
	On-Peak Summer		
	Off-Peak Summer		
	Super Off-Peak Summer		
Subtotal EV-TOU-3			

		RATES	
		SUMMER SUPPLY RATES	WINTER SUPPLY RATES
A5 TOU Primary	Min Bill		
	Cust Charge		
	Maximum Monthly Demand		
	On-Peak Supply Demand Charge (<i>Firm & Non-Firm</i>)	\$ 4.98	\$ 4.98
	On-Peak Base Demand Charge (<i>Firm</i>)		
	On-Peak Base Demand Charge (<i>Non-Firm</i>)		
	Mid-Peak Base Demand Charge (<i>Firm & Non-Firm</i>)		
	On-Peak Energy	\$ 0.08270	\$ 0.08077
	Mid-Peak Energy	\$ 0.05265	\$ 0.05141
	Off-Peak Energy	\$ 0.03965	\$ 0.03868
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A5 TOU Primary			
A5 TOU Secondary	Min Bill		
	Cust Charge		
	Maximum Monthly Demand		
	On-Peak Supply Demand Charge (<i>Firm & Non-Firm</i>)	\$ 4.98	\$ 4.98
	On-Peak Base Demand Charge (<i>Firm</i>)		
	On-Peak Base Demand Charge (<i>Non-Firm</i>)		
	Mid-Peak Base Demand Charge (<i>Firm & Non-Firm</i>)		
	Standby Transmission Demand Charge	\$ 0.75	\$ 0.75
	Standby Generation Demand Charge	\$ 0.75	\$ 0.75
	On-Peak Energy	\$ 0.10598	\$ 0.06467
	Mid-Peak Energy	\$ 0.08137	\$ 0.04186
	Off-Peak Energy	\$ 0.06495	\$ 0.03198
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
Supply Adjustment			
Surcharges			
Subtotal A5 TOU Secondary			
SL	Min Bill		
	Cust Charge		
	Facility Charge Lamps per Day		
	All Energy	\$ 0.05868	\$ 0.05868
	Transmission	\$ 0.01904	\$ 0.01904
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal SL			

EXHIBIT I

		RATES	
		SUMMER BASE RATES	WINTER BASE RATES
D	Min Bill		
	Cust Charge	\$ 0.28	\$ 0.28
	Tier 1 Energy	\$ 0.17707	\$ 0.17707
	Tier 2 Energy	\$ 0.20500	\$ 0.20500
	Tier 3 Energy	\$ 0.22903	\$ 0.22903
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal D		
DLI	Min Bill		
	Cust Charge	\$ 0.22	\$ 0.22
	Tier 1 Energy	\$ 0.14589	\$ 0.14589
	Tier 2 Energy	\$ 0.16823	\$ 0.16823
	Tier 3 Energy	\$ 0.18745	\$ 0.18745
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal DLI		
DE	Min Bill		
	Cust Charge	\$ 0.28	\$ 0.28
	Tier 1 Energy	\$ 0.09914	\$ 0.09914
	Tier 2 Energy	\$ 0.11311	\$ 0.11311
	Tier 3 Energy	\$ 0.12512	\$ 0.12512
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal DE		
DO	Min Bill	\$ 0.85	\$ 0.85
	Min Bill Equation Adj Factor		
	Cust Charge	\$ 0.28	\$ 0.28
	Tier 1 Energy	\$ 0.30785	\$ 0.30785
	Tier 2 Energy	\$ 0.30785	\$ 0.30785
	Tier 3 Energy	\$ 0.30785	\$ 0.30785
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal DO			

		RATES	
		SUMMER BASE RATES	WINTER BASE RATES
DLS	Min Bill		
	Cust Charge	\$ 0.28	\$ 0.28
	Tier 1 Energy	\$ 0.17707	\$ 0.17707
	Tier 2 Energy	\$ 0.20500	\$ 0.20500
	Tier 3 Energy	\$ 0.22903	\$ 0.22903
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal DLS		
D ALL E	Min Bill		
	Cust Charge	\$ 0.28	\$ 0.28
	Tier 1 Energy	\$ 0.17707	\$ 0.17707
	Tier 2 Energy	\$ 0.20500	\$ 0.20500
	Tier 3 Energy	\$ 0.22903	\$ 0.22903
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
	Subtotal D ALL E		
NEMR	Min Bill		
	Cust Charge		
	Tier 1 Energy	\$ 0.40631	\$ 0.40631
	Tier 2 Energy	\$ 0.40631	\$ 0.40631
	Tier 3 Energy	\$ 0.40631	\$ 0.40631
	Transmission		\$ -
	Base Adjustment		\$ -
	Supply Adjustment		\$ -
	Surcharges		
	Subtotal NEMR		
DM	Min Bill		
	Cust Charge	\$ 0.28	\$ 0.28
	Tier 1 Energy	\$ 0.17707	\$ 0.17707
	Tier 2 Energy	\$ 0.20500	\$ 0.20500
	Tier 3 Energy	\$ 0.22903	\$ 0.22903
	Transmission		
	Base Adjustment Rate		
	Supply Adjustment Rate		
	Surcharges		
	Subtotal DM		
DMS - SERVICE CHARGE	Min Bill		
	Cust Charge	\$ 0.28	\$ 0.28
	Discount Per Unit Occupied	\$ (0.10)	\$ (0.10)
	Spaces Occupied		
	Total Seasonal Occupied Spaces		

		RATES		
		SUMMER BASE RATES	WINTER BASE RATES	
DMS - Perm	Tier 1 Energy	\$ 0.17707	\$ 0.17707	
	Tier 2 Energy	\$ 0.20500	\$ 0.20500	
	Tier 3 Energy	\$ 0.22903	\$ 0.22903	
	Transmission			
	Base Adjustment			
	Supply Adjustment			
	Surcharges			
	Subtotal DMS - Perm			
DMS - Low Income	Tier 1 Energy	\$ 0.14589	\$ 0.14589	
	Tier 2 Energy	\$ 0.16823	\$ 0.16823	
	Tier 3 Energy	\$ 0.18745	\$ 0.18745	
	Transmission			
	Base Adjustment			
	Supply Adjustment			
	Surcharges			
	Subtotal DMS - Low Income			
DMS - Life Support	Tier 1 Energy	\$ 0.17707	\$ 0.17707	
	Tier 2 Energy	\$ 0.20500	\$ 0.20500	
	Tier 3 Energy	\$ 0.22903	\$ 0.22903	
	Transmission			
	Base Adjustment			
	Supply Adjustment			
	Surcharges			
	Subtotal DMS - Life Support			
DMS - Seasonal	Tier 1 Energy	\$ 0.30785	\$ 0.30785	
	Tier 2 Energy	\$ 0.30785	\$ 0.30785	
	Tier 3 Energy	\$ 0.30785	\$ 0.30785	
	Transmission			
	Base Adjustment			
	Supply Adjustment			
	Surcharges			
	Subtotal DMS - Seasonal			
SUBTOTAL DMS				
TOU-EV-1	On-Peak Winter		\$ 0.47141	
	Off-Peak Winter		\$ 0.20310	
	Super Off-Peak Winter		\$ 0.18001	
	On-Peak Summer	\$ 0.39651		
	Off-Peak Summer	\$ 0.30166		
	Super Off-Peak Summer	\$ 0.18001		
	Subtotal TOU-EV-1			

		RATES	
		SUMMER BASE RATES	WINTER BASE RATES
A1	Min Bill		
	Cust Charge	\$ 0.55	\$ 0.55
	Tier 1 Energy	\$ 0.26716	\$ 0.26716
	Tier 2 Energy	\$ 0.26716	\$ 0.26716
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A1			
TOU-EV-2	On-Peak Winter		\$ 0.47014
	Off-Peak Winter		\$ 0.20606
	Super Off-Peak Winter		\$ 0.18333
	On-Peak Summer	\$ 0.39642	
	Off-Peak Summer	\$ 0.30307	
	Super Off-Peak Summer	\$ 0.18333	
	Subtotal TOU-EV-2		
A2	Min Bill		
	Cust Charge	\$ 2.89	\$ 2.89
	Tier 1 Energy	\$ 0.26876	\$ 0.26876
	Tier 2 Energy	\$ 0.26876	\$ 0.26876
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A2			
GSD	Min Bill		
	Cust Charge	\$ 0.28	\$ 0.28
	Demand Charge	\$ 10.84	\$ 10.84
	All Energy	\$ 0.24555	\$ 0.24555
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal GSD			
A3	Min Bill		
	Cust Charge	\$ 7.95	\$ 7.95
	Demand Charge	\$ 10.84	\$ 10.84
	Tier 1 Energy	\$ 0.28139	\$ 0.28139
	Tier 2 Energy	\$ 0.28139	\$ 0.28139
	Transmission		
	Base Adjustment		
	Supply Adjustment		
Surcharges			
Subtotal A3			

		RATES	
		SUMMER BASE RATES	WINTER BASE RATES
NEMC	Min Bill		
	Cust Charge		
	Demand Charge		
	Tier 1 Energy	\$ 0.40639	\$ 0.40639
	Tier 2 Energy	\$ 0.40639	\$ 0.40639
	Tier 3 Energy	\$ 0.40639	\$ 0.40639
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal NEMC			
A4 TOU	Min Bill		
	Cust Charge	\$ 19.47	\$ 19.47
	On-Peak Demand Charge	\$ 11.87	\$ 11.87
	On-Peak Energy	\$ 0.20096	\$ 0.20096
	Mid-Peak Energy	\$ 0.20096	\$ 0.20096
	Off-Peak Energy	\$ 0.20096	\$ 0.20096
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A4 TOU			
EV-TOU-3	Demand Charge Winter		\$ 9.50
	Demand Charge Summer	\$ 9.50	
	On-Peak Winter		\$ 0.48886
	Off-Peak Winter		\$ 0.23715
	Super Off-Peak Winter		\$ 0.21549
	On-Peak Summer	\$ 0.41859	
	Off-Peak Summer	\$ 0.32961	
	Super Off-Peak Summer	\$ 0.21549	
Subtotal EV-TOU-3			

		RATES	
		SUMMER BASE RATES	WINTER BASE RATES
A5 TOU Primary	Min Bill		
	Cust Charge	\$ 88.28	\$ 88.28
	Maximum Monthly Demand	\$ 5.77	\$ 5.77
	On-Peak Supply Demand Charge (<i>Firm & Non-Firm</i>)		
	On-Peak Base Demand Charge (<i>Firm</i>)	\$ 16.61	\$ 16.61
	On-Peak Base Demand Charge (<i>Non-Firm</i>)	\$ 8.05	\$ 8.05
	Mid-Peak Base Demand Charge (<i>Firm & Non-Firm</i>)	\$ 4.70	\$ 4.70
	On-Peak Energy	\$ 0.04837	\$ 0.04837
	Mid-Peak Energy	\$ 0.04837	\$ 0.04837
	Off-Peak Energy	\$ 0.04837	\$ 0.04837
	Transmission		
	Base Adjustment		
	Supply Adjustment		
	Surcharges		
Subtotal A5 TOU Primary			
A5 TOU Secondary	Min Bill	\$ 0.45	\$ 0.45
	Cust Charge	\$ 47.84	\$ 47.84
	Maximum Monthly Demand	\$ 5.77	\$ 5.77
	On-Peak Supply Demand Charge (<i>Firm & Non-Firm</i>)		
	On-Peak Base Demand Charge (<i>Firm</i>)	\$ 16.61	\$ 16.61
	On-Peak Base Demand Charge (<i>Non-Firm</i>)	\$ 8.05	\$ 8.05
	Mid-Peak Base Demand Charge (<i>Firm & Non-Firm</i>)	\$ 4.70	\$ 4.70
	Standby Transmission Demand Charge		
	Standby Generation Demand Charge		
	On-Peak Energy	\$ 0.09911	\$ 0.09911
	Mid-Peak Energy	\$ 0.09911	\$ 0.09911
	Off-Peak Energy	\$ 0.09911	\$ 0.09911
	Transmission		
	Base Adjustment		
Supply Adjustment			
Surcharges			
Subtotal A5 TOU Secondary			
SL	Min Bill		
	Cust Charge	\$ 0.24	\$ 0.24
	Facility Charge Lamps per Day	\$ 0.46472	\$ 0.46472
	All Energy	\$ 0.49844	\$ 0.49844
	Transmission		
	Base Adjustment		
	Supply Adjustment		
Surcharges			
Subtotal SL			

EXHIBIT J

Preliminary Statements
Wildfire Mitigation Plan Memorandum Account

RR. Wildfire Mitigation Plan Memorandum Account

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. Bear Valley Electric Service, Inc. (“BVES”) shall maintain the WMPMA. 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 BVES’s approved Wildfire Mitigation Plan that are not otherwise covered in BVES’s revenue requirements. Incremental costs may be recorded in sub-accounts to facilitate cost recovery.

B. APPLICABILITY

Incremental O&M and capital costs BVES expects to incur in implementing its approved Wildfire Mitigation Plan include, but are not limited to operational practices; inspections and patrol programs; system hardening and other wildfire mitigation capital programs; monitoring automation and system protection such as Supervisory and Data Acquisition (SCADA); and public safety power shutoffs.

BVES will record the carrying costs at its adopted rate of return for all new facilities costs in the WMPMA.

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

BVES 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 incremental 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.

Please note: The prescribed Accounting Procedure will pertain to the WMP subaccounts, including but not limited to LiDar Survey, UAV Survey, Ground Patrol, Forester, Weather Consulting, Fire Prediction & Forecast, BV Power Plant, EH&S Technical Support, PSPS Outreach and Support prep.

E. EFFECTIVE DATE

The WMPMA shall be effective on June 6, 2019.

F. DISPOSITION

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

Advice Letter No. _____
Decision No. _____

Issued By
Paul Marconi.
President

Date Filed _____
Effective _____
Resolution No. _____