

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Golden State Water Company, on Behalf of its Bear Valley Electric Service Division (U 913 E), for Approval of Costs and Authority to Increase General Rates and Other Charges for Electric Service by Its Bear Valley Electric Service Division.

Application 12-02-013
(Filed February 16, 2012)

**DECISION GRANTING PETITION TO MODIFY DECISION 14-11-002
AND EXTEND CURRENT RATES FOR ONE YEAR**

Summary

This decision grants Golden State Water Company's, on behalf of its Bear Valley Electric Service Division (GSWC/BVES), Petition to Modify Decision (D.) 14-11-002 in Application 12-02-013. Specifically, we modify D.14-11-002 to authorize GSWC/BVES to: 1) file its next general rate case (GRC) application on or prior to March 31, 2017 for a Test Year 2018 GRC; 2) collect a base rate revenue requirement for 2017 of \$20,900,000; and 3) fund its Energy Efficiency Program at \$200,000 for 2017, resulting in a five-year total Energy Efficiency Program cost of \$1,000,000. These changes are agreed to by all settling parties to the last GRC for BVES, which was authorized in D.14-11-002.

1. Background

On February 16, 2012, Golden State Water Company (GSWC), on behalf of its Bear Valley Electric Service District (BVES), filed Application (A.) 12-02-013 (or

Application) to increase rates charged for electric service within its service territory by 9.85%, which results in a proposed rate increase of 7.79%. On April 5, 2012, GSWC/BVES filed its Amended Application.

BVES is a wholly owned subsidiary of American States Water Company (ASWC), which is operated through another ASWC subsidiary, GSWC. BVES provides retail electric service to the Big Bear Lake resort area in the San Bernardino Mountains.

By Decision (D.) 14-11-002, the Commission adopted the Uncontested Settlement Agreement (also referred to as the First Settlement), executed by GSWC/BVES, the Office of Ratepayer Advocates (ORA), the City of Big Bear Lake (City), Big Bear Area Wastewater Agency (BBARWA), and Snow Summit, Inc., which resolved all outstanding issues except cost allocation and residential rate design issues. The Commission also adopted the Cost Allocation and Residential Customer Rate Design Settlement Agreement, executed by GSWC/BVES, the City, BBARWA and Snow Summit, with a modification to the disposition of the General Rate Case Memorandum Account (GRC), and rejection of the Minimum charge and the Tiered Rates portions of the Cost Allocation and Residential Customer Rate Design Settlement Agreement.

All parties to the First Settlement have signed on to Amendment No. [H1](#) to Uncontested Settlement Agreement (Amendment), which reflects the requests by GSWC/BVES in its Petition to Modify (Petition), as follows: 1) extend the filing date of a new GRC application by one year to March 31, 2017; 2) establish a five-year rate cycle with a 2017 base rate revenue requirement of \$20,900,000; and 3) set a \$200,000 budget for the BVES' Energy Efficiency Program in 2017.

2. Procedural Requirements Under Rule 16.4

Rule 16.4 governs the process for the filing and consideration of petitions for modification. Rule 16.4(b) requires that a petition for modification concisely state the justification for the proposed relief and to propose specific wording for all requested modifications. GSWC/BVES's Petition contained a concise but thorough statement of justification for the proposed modifications.

Rule 16.4(d) states if more than one year has elapsed since the effective date of the decision, then the petition must explain why it could not have been presented within one year of the effective date of the decision. GSWC/BVES filed its Petition after one year. GSWC/BVES has provided justification for its request, stating that it could not file within one year, because GSWC's Regulatory Affairs Department (that handles regulatory issues for both GSWC and BVES) has been busy for the past two years with other matters including the general rate case for its water company, cost of capital application, and compliance with drought requirements.

In early October of 2015, the GSWC Regulatory Department initially reached out to ORA, the City, BBARWA and Snow Summit, about the possibility of BVES deferring the GRC application filing for one year. GSWC offered to maintain the 2016 adopted base rate revenue requirement for 2017 if all were agreeable to the one-year deferral. After the provision of information and draft documents, the settling parties signed their Amendment on various days in November and December 2015, and this Petition was filed promptly thereafter. Since the execution of the Amendment was completed on December 2, 2015, it was not possible for GSWC to file a petition to modify D.14-11-002 within one year of its effective date of November 6, 2014. No party to the First Settlement adopted by the Commission in D.14-11-002 objects to the GSWC/BVES petition.

Hence, we conclude that GSWC/BVES has justified filing its petition beyond the one -year filing requirement in Rule 16.4, and complies with the other requirements of the rule.

3. Relief Requested in Petition

In its Petition, GSWC/BVES requests the Commission approve Amendment No. 1 to the Uncontested Settlement Agreement and make the following modifications to D.14-11-002:

1. Modify Section 4.3 of the First Settlement by changing the rate cycle from four years (2013-2016) to five years (2013-2017), and add a 2017 base rate revenue requirement of \$20,900,000 (the same dollar amount authorized for each of the previous four years);
2. Modify Preliminary Statement V¹ to reflect an annual base rate revenue requirement for 2017 of \$20,900,000, and permit the continued use of 2016 sales forecasts, previously approved by the Commission in D.14-11-002, for purposes of implementing balancing account mechanisms;
3. Modify Section 5.2 of the First Settlement by extending the existing rate cycle of four years (2013-2016) to five years (2013-2017), and add a 2017 budget for the Energy Efficiency (EE) Program of \$200,000. This would result in a total budget of \$1,000,000 for the years 2013-2017.² The EE Program is not funded through, or a part of, base rate revenue requirements, but is funded through the Public Purpose Surcharge, which will continue to be collected at its existing level; and
4. Modify Section 10.8 of the First Settlement to require BVES to file its next GRC application with a 2018 Test Year (instead of a 2017 Test year), prior to January 31, 2017 (instead of prior to January 31, 2016), and require the cost allocation and rate design components of its GRC to be filed by May 1, 2017 (instead of March 1, 2016).

¹ Exhibit A to the First Settlement is Preliminary Statement V, entitled "Base Revenue Requirement Balancing Account."

² The total budget for the four years 2013-2016 adopted in D.14-11-002 was \$800,000.

GSWC/BVES request the following specific modifications to D.14-11-002 as follows:

1. Second paragraph of Section 4.8 of D.14-11-002 is modified as follows:

The First Settlement provides for an EE Program funding level of \$200,000 per year, totaling ~~\$800,000~~ \$1,000,000 over the ~~four~~ five-year rate case period, funding through the use of Public Purpose Program Surcharges, and establishment of a one-way balancing account (Energy Efficiency Balancing Account) to track EE Program costs.

2. Title and **only paragraph** text of Section 4.12.1 of D.14-11-002 is modified as follows:

4.12.1 Next Rate Case Application Filed Prior to ~~March~~ January 31, ~~2016~~ 2017.

The Parties to the First Settlement agree that: a) BVES shall file its next general rate case application with a ~~2017~~ 2018 TY, on or prior to March ~~January~~ 31, ~~2016~~ 2017; b) the cost allocation and rate design components of the application shall be filed on or prior to by May ~~March~~ 1, ~~2016~~ 2017; c) the application shall include a four-year rate cycle; and d) BVES may modify these filing dates for good cause through the appropriate procedural vehicle.

3. Section 8 of D.14-11-002 is modified as follows:

Unless discussed separately herein: 1) BVES shall file a Tier 1 AL within 30 days of the issuance of this decision in order to make all preliminary statements, rate and tariff changes authorized herein for 2013 and 2014; 2) BVES shall file a Tier 1 AL by December 1, 2014 in order to make all preliminary statements, rate and tariff changes authorized herein for 2015; and 3) BVES shall file a Tier 1 AL by December 1, 2015 in order to make all preliminary statements, rate and tariff changes authorized herein for 2016; and 4) BVES shall file a Tier 1 AL by December 1, 2016 in order to

make all preliminary statements rate and tariff changes authorized herein for 2017.

4. Conclusion of Law 10 of D.14-11-002 is modified as follows:

10. Unless discussed separately herein: 1) BVES should file a Tier 1 Advice Letter (AL) within 30 days of the issuance of this decision in order to make all preliminary statement, rate and tariff changes authorized herein for 2013 and 2014; 2) BVES should file a Tier 1 AL by December 1, 2014 in order to make all preliminary statements, rate and tariff changes authorized herein for 2015; and 3) BVES should file a Tier 1 AL by December 1, 2015 in order to make all preliminary statements, rate and tariff changes authorized herein for 2016; and 4) BVES should file a Tier 1 AL by December 1, 2016 in order to make all preliminary statements, rate and tariff changes authorized herein for 2017.

4. Discussion

All signatories to the First Settlement adopted in D.14-11-002 approve of GSWC/BVES's Petition and have signed Amendment No. 1 to the Uncontested Settlement Agreement. Because all parties agree to the Petition and the additional year of costs is at the same level authorized in D.14-11-002, the Commission agrees that the changes are reasonable and adopts GSWC/BVES's proposed modifications to D.14-11-002, as detailed in the section above. The net effect of these modifications is to continue rates at their current level for an additional year. We also approve Amendment No. 1 to the Uncontested Settlement Agreement, attached to this decision as Attachment A.

a) ?????

5. ~~Compliance With the Authority Granted Herein~~

~~In order to implement the authority granted herein, GSWC/BVES must file a Tier 1 Advice Letter (AL) within 30 days of the date of this decision. The tariff sheets filed in these ALs shall be effective on or after the date filed subject to the~~

~~Commission's Energy Division determining they are in compliance with this decision.~~

5. ~~6.~~ Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2) and Rule 14.6, the otherwise applicable 30-day period for public review and comment is waived.

6. ~~7.~~ Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and ~~Seaneen M~~Dorothy J. ~~Wilson~~Duda is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. In D.14-11-002, the Commission approved the First Settlement between GSWC/BVES, ORA, the City, BBARWA, and Snow Summit, regarding GSWC/BVES's GRC request in A.12-02-013.

~~2.~~ ??????

~~2.~~ ~~3.~~ On December 3, 2015, GSWC/BVES filed a petition to modify D.14-11-002 and authorize it to file its next GRC on or prior to March 31, 2017 for a Test Year 2018 GRC, collect a base rate revenue requirement for 2017 of \$20,900,000, and fund its Energy Efficiency Program for 2017 at \$200,000.

~~3.~~ ~~4.~~ GSWC/BVES, ORA, the City, BBARWA, and Snow Summit, signed the Amendment No. 1 to the Uncontested Settlement Agreement, in which these parties agreed to GSWC/BVES's request to modify D.14-11-002 as set out in the Amendment.

~~4.~~ ~~5.~~ GSWC/BVES' petition is uncontested.

5. ~~6.~~ Rule 16.4(d) requires that a petition explain why it could not have been presented within one year of the effective date of the decision.

6. ~~7.~~ GSWC/BVES' petition was filed more than a year after D.14-11-002 was effective.

7. ~~8.~~ GSWC/BVES did not determine until October 2015 that it could forgo a GRC filing and did not finalize the Amendment with the other parties to the First Settlement until December 2015.

Conclusions of Law

1. It is reasonable to approve Amendment No. 1 to the Uncontested Settlement Agreement and grant GSWC/BVES's petition to modify D.14-11-002.

a. ~~???????~~

2. GSWC/BVES's petition for modification satisfies the requirements of Rule 16.4 and has adequately justified the filing of the petition beyond one year from D.14-11-002.

~~3. GSWC/BVES should file a Tier 1 AL within 30 days of the date of this decision. The tariff sheets filed in these ALs shall be effective on or after the date filed subject to the Commission's Energy Division determining they are in compliance with this decision.~~

4. ~~?????~~

O R D E R

IT IS ORDERED that:

1. Golden State Water Company/Bear Valley Electric Service Division's Petition to Modify Decision 14-11-002 is granted.

2. Decision (D.) 14-11-002 is modified as follows:

a. Second paragraph of Section 4.8 of D.14-11-002 is modified as follows:

The First Settlement provides for an Energy Efficiency (EE) Program funding level of \$200,000 per year, totaling ~~\$800,000~~ \$1,000,000 over the ~~four~~ five-year rate case period, funding through the use of Public Purpose Program Surcharges, and establishment of a one-way balancing account (Energy Efficiency Balancing Account) to track EE Program costs.

b. Title and ~~only paragraph~~ text of Section 4.12.1 of D.14-11-002 is modified as follows:

Next Rate Case Application Filed Prior to ~~March~~ January 31, ~~2016~~ 2017

The Parties to the First Settlement agree that: a) BVES shall file its next general rate case application with a ~~2017~~ 2018 TY, on or prior to ~~March~~ January 31, ~~2016~~ 2017; b) the cost allocation and rate design components of the application shall be filed on or prior to by May ~~March~~ 1, ~~2016~~ 2017; c) the application shall include a four-year rate cycle; and d) Bear Valley Electric Service Division (BVES) may modify these filing dates for good cause through the appropriate procedural vehicle.

c. Section 8 of D.14-11-002 is modified as follows:

Unless discussed separately herein: 1) BVES shall file a Tier 1 Advice Letter (AL) within 30 days of the issuance of this decision

in order to make all preliminary statements, rate and tariff changes authorized herein for 2013 and 2014; 2) BVES shall file a Tier 1 AL by December 1, 2014 in order to make all preliminary statements, rate and tariff changes authorized herein for 2015; ~~and~~ 3) BVES shall file a Tier 1 AL by December 1, 2015 in order to make all preliminary statements, rate and tariff changes authorized herein for 2016-; and 4) BVES shall file a Tier 1 AL by December 1, 2016 in order to make all preliminary statements rate and tariff changes authorized herein for 2017.

d. Conclusion of Law 10 of D.14-11-002 is modified as follows:

10. Unless discussed separately herein: 1) BVES should file a Tier 1 AL within 30 days of the issuance of this decision in order to make all preliminary statement, rate and tariff changes authorized herein for 2013 and 2014; 2) BVES should file a Tier 1 AL by December 1, 2014 in order to make all preliminary statements, rate and tariff changes authorized herein for 2015; ~~and~~ 3) BVES should file a Tier 1 AL by December 1, 2015 in order to make all preliminary statements, rate and tariff changes authorized herein for 2016-; and 4) BVES should file a Tier 1 AL by December 1, 2016 in order to make all preliminary statements, rate and tariff changes authorized herein for 2017.

3. Amendment No. 1 to the Uncontested Settlement Agreement (attached to this decision as Attachment A) is approved.

~~4. In order to implement the authority granted herein, Golden State Water Company/Bear Valley Electric Service Division must file a Tier 1 Advice Letter (AL) within 30 days of the date of this decision. The tariff sheets filed in these ALs shall be effective on or after the date filed subject to the Commission's Energy Division determining they are in compliance with this decision.~~

~~4.~~ 5. Application 12-02-013 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

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