



PUBLIC PARTICIPATION HEARING

Bear Valley Electric Service, Inc. (BVES)

Application (A.) 22-08-010

What is this BVES Rate Application About?

The California Public Utilities Commission (CPUC) requires Bear Valley Electric Service, Inc. (BVES) to file an application, referred to as the General Rate Case (GRC) to present its forecasted costs, services and projects, and to request approval of the utility’s revenue requirements. The CPUC does an in-depth review of such an application to decide on the rates BVES is authorized to charge its customers and whether any changes are needed in BVES’s future operations.

In its current application, A.22-08-010, filed on August 30, 2022, BVES is requesting that the CPUC approve rate increases for its customers for the calendar years 2023 through 2026. The CPUC expects to issue a proposed decision in the 4th quarter of 2023 addressing BVES’s GRC application.

What Will BVES’s Requested Rate Increase Mean to You?

The following information is from BVES’s August 30, 2022 application, supporting testimony and workpapers.

For 2023, BVES is requesting that the CPUC approve a revenue requirement increase of \$10.54 million, for a total revenue requirement of \$50.28 million. This is a requested increase of 26.5 percent over its 2022 adopted revenue requirement amount of \$39.75 million.

As shown in the following table, a non-CARE (California Alternate Rates for Energy) residential customer uses on average 325 kilowatt hours (kWh) of electricity per month. If BVES’s request is granted, their bill would increase by \$28.19 per month, or 30.35 percent:¹

Monthly Residential Customer Usage	Current 2022 Bill	Proposed 2023 Bill	Increase (\$)	2022 to 2023 Percent Increase
325 kWh	\$93.11	\$121.31	\$28.19	30.35%

For 2024-2026, BVES is requesting additional revenue increases, so the monthly bill for a typical residential customer would increase by additional amounts in those years as well. The additional revenues that BVES is requesting for those years would increase by 4.45% in 2024, 3.53% in 2025, and 5.39% in 2026, an additional cumulative revenue requirement increase of 14%.

BVES’ requested 2023 rate increases in this application are shown in BVES’ customer notice available at: <https://www.bvesinc.com/customer-service/rates-regulations>

What is Driving the Cost Increases BVES is Requesting?

¹ Qualifying CARE customers can currently receive a 20 percent discount on electric and gas monthly bills.

BVES states that approximately 77 percent of its requested increase is related to wildfire mitigation activities to address the increased risk of catastrophic wildfire that poses an immediate threat to communities and properties.

- Wildfire Mitigation Program (approximately \$11.2 million increase in 2023)
 - Wildfire prevention, risk reduction, and additional safety enhancements.
 - An additional recovery of \$9.5 million recorded in memorandum accounts.
- Wildfire Mitigation Initiatives (Total request of \$3.6 million in 2023)
 - Enhanced Vegetation Management Program to prevent contact between vegetation and bare power lines. (\$2.35 million in 2023)
 - Other activities include inspections, ground patrol, weather forecasting, wildfire plan mitigation, and risk assessment and mapping.
- Increased Return on Equity (ROE) from 9.6% to 11.25% in 2023.
 - Increased ROE request is to compensate investors for added risk faced by BVES.
 - BVES's proposal results in a return on rate base of approximately \$10 million in 2023.
 - BVES's "return on rate base" recovers its cost of capital (its cost of debt and its return on equity to shareholders, not including income taxes).

How Can My Voice Be Heard?

The CPUC's Public Advisor's Office <https://www.cpuc.ca.gov/pao/> provides information to help the public participate in proceedings. You may provide comments on this application to the Commission using one or more of the following ways:

- Customers can remotely attend and speak from their homes by phone at the upcoming remote Public Participation Hearing (PPH) the CPUC will hold on May 9, 2023. The hearing will be transcribed by a court reporter and placed into the formal record for this proceeding. During the hearing, you can make comments and raise concerns to the CPUC's Administrative Law Judge overseeing this application. A list of dates, times, and how to participate is at <https://www.cpuc.ca.gov/pph/>.
- Customers can submit electronic public comments specific to this proceeding and review all other public comments submitted by visiting <https://www.apps.cpuc.ca.gov/p/a2208010>. Click on "Public Comments" tab and then click on the "Add Public Comment" button.
- Customers can either mail a letter to the CPUC Public Advisor (505 Van Ness Ave., San Francisco, CA 94102) or send an email to public.advisor@cpuc.ca.gov. In your letter or email, please include the proceeding number, A.22-08-010.
- The Public Advisor's Office may be reached by phone at 866-849-8390.

Two parties, namely the CPUC's Public Advocates Office (Cal Advocates) and Snow Summit have separately filed a protest to BVES' application. Cal Advocates represents utility ratepayers in proceedings before the CPUC to obtain the lowest possible rate for service consistent with reliable and safe service levels. Snow Summit operates two ski resorts in Big Bear Lake and is BVES's largest customer.

Customers can access the CPUC's home page for further information on consumer programs and services and to explore information on key issues and topics of interest to the public at <https://www.cpuc.ca.gov/>.