



December 5, 2008

Advice Letter No. 225-E

(U 913-E)

California Public Utilities Commission

Attention: Energy Division
Advice Letter Filings Room 4005

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

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 1579-E	Form No. 23 Parallel Operation Inadvertent Export Interconnection Agreement Page 1	Revised No. 1506-E
Revised No. 1580-E	Form No. 23 Parallel Operation Inadvertent Export Interconnection Agreement Page 12 (Continued)	Revised No. 1517-E
Revised No. 1581-E	Table of Contents Page 2 of 2	Revised No. 1575-E
Revised No. 1582-E	Table of Contents Page 1 of 2	Revised No. 1578-E

SUBJECT: Generating Facility Interconnection Application for Private Energy Producers (Form No. 23) Update

PURPOSE

The establishment of an Interconnection Agreement in compliance with Rule No. 21 to permit a Private Energy Producer to interconnect their Distributed Generating (DG) facility in parallel with BVES' distribution system that permits only "inadvertent non-compensated export".

BACKGROUND

BVES serves several large customers that have operated their own DG facilities to serve a portion of their total load for many years. Several customers use their DG facilities to provide power and backup supply to their critical equipment. In addition, one customer uses its DG to supply all of its electric needs during the on-peak time period to help the customer manage operating costs. All such customer-owned DG currently operates in an isolated mode. That is, when they need to operate their generators they first separate service from BVES by opening a switch between their load and BVES' distribution system and then they pick up their on-site load with their DG. This is referred to as "drop-and-pickup" operation.

Current Situation:

BVES' Rule No. 21 governs the interconnection of customer owned generation and provides for several modes of operating customer-owned DG, including: (1) Parallel; (2) Momentary Parallel; and (3) Isolated. Further, under Parallel operation, Rule No.21 provides for three options: (a) Parallel with inadvertent non-compensated export; (b) Parallel with export under a purchase power agreement; and (c) Net Energy Metering. Currently, BVES has a form to cover the Net Energy Metering option and a form to cover Momentary Parallel With Inadvertent Uncompensated Export.

This form was initially developed to assist its largest customers currently operating DG in the isolated mode to be able to operate in parallel under option 1(a) above, that is, parallel operation with "inadvertent non-compensated export". Such parallel operation would provide that customer with a "soft-start" operation for customer generators rather than the "drop-and-pickup" operation currently used. Although BVES filed Advice Letter No. 214-EA on January 11, 2007, the customer has been unable to use the capability of this form due to a problem with the wording in the Insurance section of the contract.

Proposed Changes:

This advice letter proposes to modify the existing form for the interconnection agreement for parallel operation under "inadvertent and non-compensated export" to accommodate the needs of BVES' largest customers. The Declarations section formerly did not mention American States Water Company (ASWC), the parent company of GSWC. BVES is requesting that ASWC be included in Form No. 23. The Insurance section formerly read "or

material change of such insurance.” and BVES is requesting that Form 23 be modified to read “or material change of such insurance, include a Waiver of Subrogation Clause.”

Form No. 23 “INTERCONNECTION AGREEMENT FOR PRIVATE ENERGY PRODUCERS INTERCONNECTING A GENERATING FACILITY THAT WILL OPERATE IN “PARALLEL - INADVERTENT EXPORT” WITH BVES’ DISTRIBUTION SYSTEM “

No cost information is required for this advice filing.

This filing will not increase or decrease any rate or charge, cause the withdrawal of service, nor conflict with any rate schedules or rules.

TIER DESIGNATION

Pursuant to D.07-01-024, Energy Industry Rule 5.1, this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

GSW respectfully requests approval of this advice letter allowing these forms to become applicable as soon as possible.

NOTICE AND PROTESTS

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter.

A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

A protest must be mailed within 20 days of the date the CPUC accepts the advice letter for filing. The Calendar is available on the CPUC’s website at www.cpuc.ca.gov.

A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter. The utility must respond to a protest with five days.

All protests and responses should be sent to:

California Public Utilities Commission, Energy Division

ATTN: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
E-mail: jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

Copies of any such protests should be sent to this utility at:

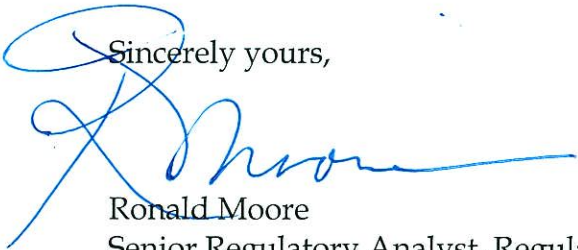
Golden State Water Company
ATTN: Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773
Fax: 909-394-7427
E-mail: rkmoore@scwater.com

If you have not received a reply to your protest within 10 business days, contact Ron Moore at 909-394-3600 ext. 682.

No individuals or utilities have requested notification of filing of tariffs. In accordance with Section III-G of General Order 96, a copy of this advice letter is being furnished to the entities listed on the attached service list.

In accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice letter filing open for public inspection at Bear Valley Electric Service and Golden State Water Company Headquarters.

Sincerely yours,



Ronald Moore
Senior Regulatory Analyst, Regulatory Affairs

c: Sean Gallagher, Chief
CPUC- Energy Division

R. Mark Pocta
CPUC - Division of Ratepayer Advocates

Form No. 23

INTERCONNECTION AGREEMENT FOR PRIVATE ENERGY PRODUCERS
INTERCONNECTING A GENERATING FACILITY THAT WILL OPERATE
IN "PARALLEL-INADVERTENT EXPORT" WITH
BVE's DISTRIBUTION SYSTEM
(Continued)

7. INSURANCE

7.1 In connection with Producer's performance of its duties and obligations under this Agreement, Producer shall maintain, during the term of this Agreement, general liability insurance with a combined single limit of not less than:

- (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than one hundred (100) KW;
- (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than twenty (20) KW and less than or equal to hundred (100) KW;
- (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is less than twenty (20) KW but greater than ten (10) KW;
- (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is ten (10) KW or less;

Such general liability insurance shall include coverage for "Premises-Operations, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations".

7.2 The general liability insurance required in Section 7.1 shall, by endorsement to the policy or policies,

- (a) include ASWC, GSWC and BVE as additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that ASWC, GSWC and BVE shall not by reason of their inclusion as additional insured incur liability to the insurance carrier for payment of premium for such insurance; (d) provide for thirty (30) calendar days' written notice to ASWC, GSWC and BVE prior to cancellation, termination, alteration, or material change of such insurance, include a Waiver of Subrogation Clause.

7.3 If Producer's Generating Facility is connected to an account receiving residential service from BVE and the requirement of Section 7.2(a) prevents Producer from obtaining the insurance required in Section 7.1, the requirements of Section 7.2(a) shall be waived.

(Continued)

Advice Letter No. 225-E

Decision No. _____

ISSUED BY

F. E. WICKS

President

Date Filed December 5, 2008

Effective Date December 5, 2008

Resolution No. _____

Form No. 23

INTERCONNECTION AGREEMENT FOR PRIVATE ENERGY PRODUCERS
INTERCONNECTING A GENERATING FACILITY THAT WILL OPERATE
IN "PARALLEL-INADVERTENT EXPORT" WITH
BVE's DISTRIBUTION SYSTEM

Page 1

DECLARATIONS

This Interconnection Agreement ("Agreement") is entered into by and between _____,
a Private Energy Producer ("Producer") who owns and is responsible for the operation of a Generating Facility
("Facility") that meets the requirement of Public Utilities Code ("PU Code"), Section 218 and the American (T)
States Water Company (ASWC), Golden State Water Company ("GSWC") and Bear Valley Electric ("BVE"), (T)
a Division of GSWC, sometimes also referred to herein Jointly as "Parties" or individually as "Party".

The Parties hereby agree to enter into this Interconnection Agreement ("Agreement"), to permit the Parallel
Operation with Inadvertent Export of power from the Facility to BVE's distribution system. This Agreement
applies to the Producer's Facility located and identified below with the specified characteristics and generating
capacity, and does not allow interconnection or operation of Facilities different than those described. Accordingly,
the Parties agree as follows:

1. APPLICABILITY

This Agreement is applicable only to Producers who require interconnection and parallel operation with
BVE's Distribution System with Inadvertent Export of power. Parallel Operation under Inadvertent Export
is defined herein as a period of time of more than 2 seconds but not to exceed the period specified in
Attachment (C) "Description of Operating Criteria". The Producer is permitted to synchronize its generation
equipment while limiting the transmission of power across the interconnection with BVE to occasional,
inadvertent, non-compensated, export. The purpose of the Producer's Facility is to serve the electrical
loads connected to the electric service account that BVE uses to interconnect with Producers
Facility (or, where permitted under PU Code Section 218, the electrical loads of an on-site or neighboring
party lawfully connected to Producer's Facility through Producer's circuits). The qualifying Producer
must have previously submitted an Application for Interconnection to BVE that has been accepted by BVE
as complete.

This agreement does not constitute an agreement by BVE to provide retail electrical service to Producer.
Such arrangements, including provision of standby service must be made separately between BVE and the
Producer.

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ISSUED BY

Date Filed December 5, 2008

Advice Letter No. 225-E

F. E. WICKS

Effective Date December 5, 2008

Decision No. _____

President

Resolution No. _____

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Advice Letter No. 225-E

Decision No. _____

ISSUED BY
F. E. WICKS

President

Date Filed December 5, 2008

Effective Date December 5, 2008

Resolution No. _____

BIG BEAR CITY COMMUNITY SERVICES DIST.
P.O. BOX 558
BIG BEAR CITY, CA 92314

CITY CLERK
CITY OF BIG BEAR LAKE
P.O. BOX 2800
BIG BEAR LAKE, CA 92315

CITY ATTORNEY
CITY OF BIG BEAR LAKE
P.O. BOX 2800
BIG BEAR LAKE, CA 92315

COUNTY CLERK
COUNTY OF SAN BERNARDINO
385 N. ARROWHEAD AVENUE - 2ND FLOOR
SAN BERNARDINO, CA 92415-0140

COUNTY COUNSEL
COUNTY OF SAN BERNARDINO
385 N. ARROWHEAD AVENUE - 4TH FLOOR
SAN BERNARDINO, CA 92415-0140

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LOS ANGELES, CALIFORNIA 90013

CALIFORNIA DEPT. OF GENERAL SERVICES
OFFICE OF BUILDING AND GROUNDS
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PROJECT MANAGER BVES
1411 W. COVELL BLVD STE 106-292
DAVIS, CA 95616

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ENGINEERING CONSULTANT BVES
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VENTURA, CA 93001