

Q & A



Time-of-Use Pumping Agricultural Internal Combustion Engine (Rate Schedule TOU-PA-ICE) Questions and Answers

Who is eligible to apply for Southern California Edison's (SCE) Rate Schedule TOU-PA-ICE?

Qualified agricultural customers, including existing or new bundled service customers, who wish to receive reduced rates and an additional line extension allowance for converting internal combustion engines to electric motors. The engine being replaced must have been installed and operational prior to September 1, 2004, must have been and is currently used for pumping water, must be fueled by diesel, gasoline, propane, or butane (not natural gas), and must have a rated brake horsepower equal to or greater than 50 hp. *Schedule TOU-PA-ICE is not open to direct access customers.*

What are the benefits of being on the TOU-PA-ICE Rate?

If you qualify to be on Schedule TOU-PA-ICE, your electric rate will be less than the otherwise applicable tariff, Schedule TOU-PA, Option B. You will also receive a one-time line extension allowance. By replacing your internal combustion engine with an electric motor for pumping, you will be making a significant contribution to the reduction of unhealthful air quality emissions.

How do I sign up for Schedule TOU-PA-ICE?

You must first provide SCE with a letter or email of intent to participate, and sign the associated extension

agreement. When your old internal combustion engine is replaced with an electric motor, your old engine must be destroyed or surrendered to your local air quality district. In addition, you must agree to have a pump efficiency test to maximize energy efficiency. The test would be conducted by an SCE professional or by a third party approved by SCE.

How do I submit my letter of intent and signed contract?

After August 1, 2005, letters of intent and completed contracts can be mailed to SCE at the Tulare Service Center, where they will be date- and time-stamped upon receipt. For more information, contact your SCE account representative, or call (800) 206-9279.

What is the initial rate that will be offered to TOU-PA-ICE customers?

Beginning in the fall of 2005, the average rate was lower than the standard Schedule TOU-PA, Option B.

How will the rate change in the future?

On January 1 of every year, SCE will increase the rate by 1.5%. The TOU-PA-ICE rate will expire on December 31, 2015, at which time the customer will be placed on the otherwise applicable tariff, TOU-PA, Option B.

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Why is the rate designed to have three time-of-use periods?

Electric reliability forecasts indicate that there continues to be some risk of shortages during the summer. Schedule TOU-PA-ICE represents new electric load on the utilities' systems. In approving this rate, the California Public Utilities Commission (CPUC) insisted that the conversion rates recognize peak-demand constraints, and offer effective incentives to encourage off-peak usage.

The rate was designed to reward off-peak usage, but not to penalize those who are required to pump through peak periods. It was also designed to provide a "revenue neutral" average price of 7.5 cents/kWh. If a customer pumps in a pattern typical of general agricultural use, the rate would average to that price. As load is shifted off-peak, the average price to the customer would decrease, and the savings that can be achieved would be even greater. It is important that customers considering enrollment on the rate are aware of their usage patterns and analyze the usage in order to assess the likely cost of their usage under the rate.

Do I have to stay on the TOU-PA-ICE rate for the remaining rate period?

No. However, if you discontinue participation on TOU-PA-ICE within the remaining contractual period, you may be required to reimburse the utility for the amount of the extension allowance, plus the difference between the TOU-PA-ICE rate and what you would have paid had you not been on Schedule TOU-PA-ICE. See the "Termination of Contract" section in the contract.

What happens if I disconnect my electric service before the expiration of the program for the purposes of either switching to an alternate energy source or choosing not to be a bundled service customer?

If a customer leaves the utility system or otherwise terminates participation on Schedule TOU-PA-ICE before the end of the remaining contracted period, the customer may be required to reimburse SCE for the amount of the extension allowance, plus the difference between the TOU-PA-ICE rates received by the customer and the otherwise applicable tariff (TOU-PA, Option B).

Is it mandatory that I destroy or surrender my internal combustion engine, or may I keep it for back-up use?

No. Similar to the Carl Moyer program, the internal combustion engine must be destroyed or surrendered to your applicable air district, as prescribed by the California Air Resources Board (CARB), within 60 days of the electric service being activated. Directions for dismantling the engine are given in the TOU-PA-ICE Contract. Once the engine has been destroyed or surrendered, customers are required to assign the resulting air pollutant reductions to SCE for transfer to the CARB, or to the customer's local air pollution district.

My Carl Moyer diesel is still under contract. May I still apply for the TOU-PA-ICE rate?

The local air districts and the CARB wish to convert as many internal combustion engines to electricity as possible. They are currently working on various ways growers will be able to convert to electricity through the TOU-PA-ICE program without breaching any Carl Moyer Program contracts. In the case of Tier II or cleaner engines previously funded by Carl Moyer money, you must contact the local air district for disposition of the engines. The air districts and the CARB are currently determining how these engines will be disposed of or utilized.

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If I sign up for the TOU-PA-ICE rate, can I still apply to Carl Moyer for funding to convert to electricity?

Yes. Various parts of the conversion are still eligible for Carl Moyer funding, including conversion to an electric motor. Contact your local air district for more information.

Sacramento Metropolitan Air Pollution Management District
(916) 874-4848

San Joaquin Valley Air Pollution Control District
(559) 230-6000

How many engines will be able to take advantage of Schedule TOU-PA-ICE?

The CPUC has authorized limited funding for Schedule TOU-PA-ICE. Applications will be processed on a first-come, first-served basis. The program application period began August 1, 2005, and will remain open for two years from that date, or until all capital expenditures associated with line extensions (\$9.17 million) have been reserved, whichever comes first. Customers are encouraged to contact their SCE account representatives and apply early.

How will line extensions be calculated?

The normal line extension allowance will first be calculated with a formula similar to that used for any new hook-up. In return for the air quality improvements that will be made by the retirement of the internal combustion engine, SCE will provide a "line extension adder" that will increase the net allowance that SCE will provide to the customer, minimizing or even eliminating hook-up costs. The adder will be based on the size of the replacement electric motor, as follows:

Replacement Motor Size Additional Allowance

Less than 125 kW	\$ 7,500
125 to 224 kW	\$15,000
Greater than 225 kW	\$32,395

Will there be any other changes to the line extension rules?

Yes. Instead of requiring a one-time payment for any remaining costs to the customer for connecting a new pump, the customer may make four consecutive, interest-free quarterly installment payments, the first being due at contract signing. Additionally, the utility will not require a "true-up" audit of usage after the first few years. There will be no deficiency payments required of customers after the initial connection in the event that a customer's actual usage was different than the estimate.

Will engineering deposits be required?

No.

Will I be able to connect three-wire, three-phase service?

No. Only four-wire service will be installed. Under the provisions of Electric Rule 2, 480-volt service is closed to new installations, and 240-volt service is only available where it exists currently.

Can I install an underground service?

Yes.



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If I'm on Schedule TOU-PA-ICE, can I participate in SCE's Demand Response Programs at the same time?

Yes. Customers served on Schedule TOU-PA-ICE may also participate in demand response programs, including the Agricultural and Pumping Interruptible Program (AP-I), Technical Assistance and Technology Incentives (TA&TI), the Time-of-Use Base Interruptible Program (TOU-BIP), and the Demand Bidding Program (DBP). For information about SCE's demand response programs, visit us online at www.sce.com/drp.

Where can I find more information about Rate Schedule TOU-PA-ICE?

For more information, please contact your SCE account representative, or call **(800) 206-9279**.



This Q&A is meant to be an aid to understanding SCE's pricing schedules. It does not replace the CPUC-approved tariffs. Please refer to the individual rate schedule of interest for a complete list of terms and conditions of service, which can be viewed online at www.sce.com.



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