

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



January 18, 2012

Advice Letter 176-G/2666-E

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Tariff Revisions to Reflect Changes in Income Tax Component
of Contribution Tax Factors**

Dear Mr. Jazayeri:

Advice Letter 176-G/2666-E is effective January 1, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

December 2, 2011

ADVICE 176-G/2666-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Tariff Revisions to Reflect Changes in Income Tax Component
of Contribution Tax Factors

Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules and filed form to reflect an increase in the Income Tax Component of Contribution (ITCC) Tax Factors. The revised tariff sheets and filed form are listed on Attachment A and are attached hereto.

PURPOSE

This advice filing revises Gas Preliminary Statement, Part H, Income Tax Component of Contribution Provision, to reflect an increase in the ITCC Tax Factor from 0.09 (9 percent) to 0.22 (22 percent). This advice filing also revises Electric Preliminary Statement, Part M, Income Tax Component of Contribution Provision; and Form 16-309, Added Facilities Agreement - Applicant Financed, to reflect an increase in the ITCC Tax Factor from 0.08 (8 percent) to 0.22 (22 percent). This advice filing reflects a change in and extension of the Federal Depreciation Provisions of the Internal Revenue Code (IRC) signed into law on December 17, 2010.

BACKGROUND

SCE's Gas Preliminary Statement, Part H, and Electric Preliminary Statement, Part M, provide that Contributions in Aid of Construction and Advances for Construction (Contributions) consist of two components: the ITCC and the Balance of the Contribution (Balance of Contribution). The ITCC is calculated by multiplying the Balance of Contribution by the Tax Factor. The Tax Factor is established using Method 5 as set forth in and pursuant to Decision (D.)87-09-026 in Order Instituting Investigation (OII) 86-11-019.

The ITCC Tax Factor is being revised as a result of a change in the Federal Depreciation Provisions of the IRC, pursuant to the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (HR 4853; the "Act"), included herein as Attachment B which was signed into law by President Obama on December 17, 2010. Title IV, Section 401 of the Act modified IRC Section 168(k) and allowed for 100 percent bonus depreciation for certain property acquired by the taxpayer after September 8, 2010, and before January 1, 2012.

The Act further extends 50 percent bonus depreciation beginning on January 1, 2012 through December 31, 2012. As a result of this extension, the ITCC Tax Factor for both electric and gas will be 0.22 (22 percent) beginning January 1, 2012 and through December 31, 2012. Previously, the gas and electric tax factors differed because gas assets had a temporary federal tax depreciable life of 15 years, whereas electric distribution property has a life of 20 years. The temporary 15-year depreciable life for gas property expired on December 31, 2010, and was not extended. As such, on January 1, 2012, both gas and electric distribution property will have a depreciable life of 20 years, resulting in an ITCC Tax Factor of 0.22 (22 percent) for both gas and electric. The increased ITCC Tax Factor has been calculated, as set forth in Attachment C, by using Method 5 as described in D.87-09-026 and D.87-12-028 in OII 86-11-019.

PROPOSED REVISION

This advice filing revises Section 3.a of Gas Preliminary Statement, Part H, to reflect the increase of the ITCC Tax Factor from 0.09 to 0.22. This advice filing also revises Section 3.a of Electric Preliminary Statement, Part M, to reflect the increase of the ITCC Tax Factor from 0.08 to 0.22. These increases shall be applicable to contributions received by SCE on or after January 1, 2012 and before January 1, 2013. Contributions received by SCE prior to the effective date of this advice filing will be subject to the previously applicable ITCC Tax Factors approved by the California Public Utilities Commission (Commission).

Included as Attachment C are the computations showing the revised Electric and Gas ITCC Tax Factors.

Except as noted above, this filing will not increase or decrease any rate or charge, conflict with any other schedules or rules, or cause the withdrawal of service.

Under D.87-09-026, SCE is obligated to begin collecting the increased ITCC immediately after December 31, 2011 and, therefore, requests prompt Commission approval of this advice filing.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

Consistent with Section 401 of the Act, this advice filing will become effective on January 1, 2012, subject to review and approval by the Energy Division.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: inj@cpuc.ca.gov and mas@cpuc.ca.gov

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

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached Electric and Gas GO 96-B service lists. Address change requests to the GO 96-B service lists should be directed by electronic mail to

AdviceTariffManager@sce.com or at (626) 302-2930. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact Alfred Lopez at (626) 302-8797 or Dante Pasaporte at (626) 302-2695 or by electronic mail at alfred.lopez@sce.com or dante.pasaporte@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:al/dp:sq
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 176-G/2666-E

Tier Designation: 2

Subject of AL: Tariff Revisions to Reflect Changes in Income Tax Component of Contribution Tax Factors

Keywords (choose from CPUC listing): Forms, Taxes, Depreciation

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 1/1/12 No. of tariff sheets: -6-

Estimated system annual revenue effect: (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Gas Preliminary Statement Part H, Electric Preliminary Statement Part M, Form 16-309, and Table of Contents

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
inj@cpuc.ca.gov and mas@cpuc.ca.gov

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Leslie E. Starck
Senior Vice President
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com

Gas Tariff Sheets

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 1446-G	Preliminary Statement Part H	Revised 1395-G
Revised 1447-G	Table of Contents	Revised 1435-G

PRELIMINARY STATEMENT

Sheet 1

H. INCOME TAX COMPONENT OF CONTRIBUTION PROVISION

1. General. All Contributions in Aid of Construction and Advances For Construction (Contributions) made to SCE pursuant to its tariffs shall include a cost component to cover SCE's estimated liability for Federal Income Tax resulting there from. California Corporate Franchise Tax (CCFT) shall be collected beginning January 10, 1992.
2. Definitions.
 - a. Contributions: Contributions shall include, but are not limited to, cash, services, facilities, labor, property, and income taxes thereon provided to SCE by a person or agency. The value of all contributions shall be based on SCE's estimates. Contributions shall consist of two components as follows:
 - (1) Income Tax Component of Contribution (ITCC); and
 - (2) The balance of the Contribution (Balance of Contribution).
 - b. Government Agency: For purposes of administering this part of the Preliminary Statement, a Government Agency shall be a California state, county, or local government agency.
 - c. Public Benefit: Where, in the opinion of SCE, a benefit to the public as a whole is clearly shown by the Government Agency making the Contribution for a project.
3. Determination of ITCC.
 - a. The ITCC shall be calculated by multiplying the Balance of the Contribution by the Tax Factor of 0.22 (22%). The 22 percent Tax Factor shall be applicable to contributions received by SCE on or after January 1, 2012. Contributions received prior to the effective date of Advice 176-G will be subject to the applicable ITCC factors approved by the California Public Utilities Commission. (I)
(T)
(T)
 - b. The tax factors included herein are established using Method 5 as set forth in and pursuant to the Commission's Decision No. 87-09-026 as modified by Decision No. 87-12-028. Should the Internal Revenue Service (IRS) deem Method 5 to be a violation of the tax normalization rules, any penalties, interest or taxes incurred by SCE shall be recovered through general rates.

(Continued)

(To be inserted by utility)
 Advice 176-G
 Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
 Date Filed Dec 2, 2011
 Effective Jan 1, 2012
 Resolution _____



TABLE OF CONTENTS

Sheet 1

	<u>Cal. P.U.C. Sheet No.</u>	
TITLE PAGE	131-G	
TABLE OF CONTENTS - RATE SCHEDULES	1446-G	(T)
TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS	1446-G	(T)
TABLE OF CONTENTS - RULES	1420-G	
TABLE OF CONTENTS - SAMPLE FORMS	1420-G	
 PRELIMINARY STATEMENT:		
A. Territory Served by the Utility	1388-G	
B. Types and Classes of Service	1388-G	
C. Procedure to Obtain Service	1388-G	
D. Interest.....	1388-G	
E. Symbols	1388-G	
F. Baseline Service	1389-1390-G	
G. Santa Catalina Island Gas Cost Adjustment Clause (GCAC).....	1391-1392-1393-1431-G	
H. Income Tax Component of Contributions Provision	1447-1396-G	(T)
 SERVICE AREA MAP	 3-G	

RATE SCHEDULES

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. No.</u>
DE	Domestic Service to Utility Employees	1398-G
G-1	Domestic Service	1432-1433-G
G-1-CARE	Domestic Service	1376-1132-G
G-2	General Service	1434-1401-G
GM	Domestic Service, Multifamily Accommodation	1402-G
G-SE	Service Establishment Charge	1403-G
RF-G	Surcharge to Fund Public Utilities Commission Reimbursement Fee.....	1404-G

LIST OF CONTRACTS AND DEVIATIONS

	<u>Cal. P.U.C. Sheet No.</u>
List of Contracts and Deviations	696-G

(Continued)

(To be inserted by utility)
 Advice 176-G
 Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
 Date Filed Dec 2, 2011
 Effective Jan 1, 2012
 Resolution _____

Electric Tariff Sheets

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 49134-E	Preliminary Statement Part M	Revised 47683-E
Revised 49135-E	Form 16-309	Revised 47684-E
Revised 49136-E	Table of Contents	Revised 49107-E
Revised 49137-E	Table of Contents	Revised 49059-E

PRELIMINARY STATEMENT

Sheet 1

M. INCOME TAX COMPONENT OF CONTRIBUTION PROVISION

1. General. All Contributions in Aid of Construction and Advances For Construction (Contributions) made to SCE pursuant to its tariffs shall include a cost component to cover SCE's estimated liability for Federal and State Income Tax resulting there from. SCE shall collect the Federal Income Tax on Contributions made on or after February 11, 1987 for unit costs under Rule 15, and January 1, 1987 for all other Contributions. California Corporate Franchise Tax (CCFT) shall be collected beginning January 1, 1992.
2. Definitions.
 - a. Contributions: Contributions shall include, but are not limited to, cash, services, facilities, labor, property, and income taxes thereon provided to SCE by a person or agency. The value of all contributions shall be based on SCE's estimates. Contributions shall consist of two components as follows:
 - (1) Income Tax Component of Contribution (ITCC); and
 - (2) The balance of the Contribution (Balance of Contribution).
 - b. Government Agency: For purposes of administering this part of the Preliminary Statement, a Government Agency shall be a California state, county, or local government agency.
 - c. Public Benefit: Where, in the opinion of SCE, a benefit to the public as a whole is clearly shown by the Government Agency making the Contribution for a project.
3. Determination of ITCC.
 - a. The ITCC shall be calculated by multiplying the Balance of the Contribution by the Tax Factor of 0.22 (22%). The 22 percent Tax Factor shall be applicable to contributions received by SCE on or after January 1, 2012. Contributions received prior to the effective date of Advice 2666-E will be subject to the applicable ITCC factors approved by the California Public Utilities Commission. (I)
(T)
(T)
 - b. The Tax Factor is established using Method 5 as set forth in and pursuant to the Commission's Decision No. 87-09-026. Should the Internal Revenue Service (IRS) deem Method 5 to be a violation of the tax normalization rules, any penalties, interest or taxes incurred by SCE shall be recovered through general rates.
 - c. SCE will file an Advice Letter for any changes which would cause an increase or decrease of five percentage points or more in the ITCC Tax Factor.

(Continued)

(To be inserted by utility)
Advice 2666-E
Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
Date Filed Dec 2, 2011
Effective Jan 1, 2012
Resolution _____



Southern California Edison
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 49135-E
Cancelling Revised Cal. PUC Sheet No. 47684-E

Sheet 1

ADDED FACILITIES AGREEMENT
APPLICANT-FINANCED

Form 16-309

(To be inserted by utility)

Advice 2666-E

Decision _____

Issued by

Akbar Jazayeri

Vice President

(To be inserted by Cal. PUC)

Date Filed Dec 2, 2011

Effective Jan 1, 2012

Resolution _____

SOUTHERN CALIFORNIA EDISON COMPANY
ADDED FACILITIES AGREEMENT
APPLICANT FINANCED

("Applicant") and Southern California Edison Company ("SCE"), referred to collectively as "Parties" and individually as "Party", agree, as an accommodation to the Applicant, that SCE shall install the electric facilities described in Exhibit A, and hereinafter referred to as "Added Facilities", the cost of which shall be borne by the Applicant and which will be located at the service address as shown in Exhibit A. Added Facilities are defined in SCE's Rule 2.H as those which are in addition to, or in substitution for the standard facilities SCE would normally install to provide electric service. The Parties agree as follows:

1. Applicant shall pay to SCE in advance of construction by SCE for the Applicant-Financed Added Facilities, the estimated Total Installed Cost of said Added Facilities, as set forth in Exhibit A. If applicable, said cost shall include the estimated Income Tax Component of Contributions (ITCC), pursuant to SCE's Preliminary Statement as filed with the California Public Utilities Commission ("Commission") and the one-time cost to rearrange existing facilities and/or to provide facilities normally installed by the Applicant.
2. In addition to the payment required under Paragraph 1, the Applicant shall also pay a charge based on the Added Facilities investment in Applicant-Financed Added Facilities, pursuant to SCE's Rule 2.H as filed with the Commission and as changed from time to time by the Commission. The charge for Applicant-Financed Added Facilities is based upon the Added Facilities investment and the replacement coverage option selected by the Applicant, as follows:
 - ___ (a) Replacement Coverage. The Added Facilities investment amount used as the basis for determining the charge Applicant pays SCE shall not be adjusted whenever Added Facilities are replaced as set forth in Paragraph 12(a). Under this option, Applicant shall pay to SCE, at SCE's sole option, either (SCE to select one):
 - ___ (1) A Monthly Charge based upon _____ times the Added Facilities investment as set forth in Exhibit A.
 - ___ (2) A One-Time Payment representing the present worth of the Monthly Charge (_____ per month) for the Added Facilities in perpetuity as set forth in Exhibit A.
 - ___ (b) Replacement Coverage with 20 year Term. The Added Facilities investment amount used as the basis for determining the charge Applicant pays SCE shall not be adjusted for a term of 20 years whenever Added Facilities are replaced as set forth in Paragraph 12(a). Under this option, Applicant shall pay to SCE a Monthly Charge based upon _____ times the Added Facilities investment as set forth in Exhibit A. At the end of the 20 year term, this Agreement terminates in accordance with the provisions of Paragraph 16. If Applicant wants to continue being served from the Added Facilities, Applicant must sign a new Added Facilities Agreement. The new Added Facilities investment amount will be determined on a reconstruction cost new less depreciation (RCNLD) basis.
 - ___ Without Replacement Coverage. The Added Facilities investment amount used in determining the charge Applicant pays SCE shall be adjusted whenever Added Facilities are replaced as set forth in Paragraph 12(b) and . Under this option, Applicant shall pay SCE a Monthly Charge based on _____ times the Added Facilities investment as set forth in Exhibit A.
3. The costs and charges paid by Applicant pursuant to Paragraphs 1 and 2 will normally be based upon estimated costs. When the recorded book costs have been determined by SCE, the charges may be based upon such recorded costs and adjusted retroactively to the date when service was first rendered by means of such Added Facilities. Additional charges resulting from such adjustments will, unless other terms are mutually agreed upon, be payable within thirty (30) days from the date of presentation of a bill therefore. Any credits resulting from such adjustments will, unless other terms are mutually agreed upon, be refunded to Applicant.
4. When SCE elects to provide Added Facilities hereunder on a recorded book cost basis, SCE has the right to revise its estimated costs and bill Applicant using such revised estimated costs during the period preceding determination of the recorded book costs. SCE shall indicate such revisions on Exhibit A or a superseding Exhibit A and provide a copy to Applicant. SCE shall commence billing the charge paid by Applicant pursuant to Paragraph 2 above using such revised estimate not earlier than thirty (30) days from the date the revised estimate is provided to Applicant.

5. The Monthly Charge to be paid by Applicant pursuant to Paragraph 2 above, as determined in Exhibit A, shall automatically increase or decrease without formal amendment to this Agreement if the Commission subsequently authorizes a higher or lower percentage rate in the calculation of the costs of ownership for Added Facilities as stated in Rule 2.H, effective with the date of such authorization. Further, the revised costs of ownership shall also be used to determine the unamortized balance of the One-Time Payment due to termination of service, termination of this Agreement, or otherwise, as provided in Paragraph 16 (a).
6. Where it is necessary to install Added Facilities on Applicant's property, Applicant hereby grants to SCE (a) the right to make such installation on Applicant's property including installation of a line extension along the shortest practical route thereon and (b) the right of ingress to and egress from Applicant's property as determined by SCE in its sole discretion for any purpose connected with the operation and maintenance of the Added Facilities. Applicant shall provide rights-of-way or easements of sufficient space to provide legal clearance from all structures now or hereafter erected on Applicant's property for any facilities of SCE.
7. Where formal rights-of-way or easements are required in, on, under, or over Applicant's property or the property of others for the installation of the Added Facilities, SCE shall not be obligated to install the Added Facilities unless and until any necessary permanent rights-of-way or easements, satisfactory to SCE, are granted without cost to SCE. Upon termination of this Agreement in accordance with Paragraph 16, SCE will quitclaim all easements and rights of way in, on, under, and over Applicant's property which are, as determined by SCE in its sole discretion, no longer required by SCE due to the removal of its Added Facilities.
8. SCE shall not be responsible for any delay in completion of the installation of the Added Facilities resulting from shortage of labor or materials, strike, labor disturbances, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or commission, delay in obtaining necessary rights-of-way and easements, act of God, or any other cause or condition beyond control of SCE. SCE shall have the right in the event it is unable to obtain materials or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers, and any delay in construction hereunder resulting from such allocation shall be deemed to be a cause beyond SCE's control.
9. Added Facilities provided hereunder shall at all times remain the property of SCE.
10. This Agreement supplements the appropriate application and contract(s) for electric service presently in effect between the Parties.
11. If it becomes necessary for SCE to alter or rearrange the Added Facilities including, but not limited to, the conversion of overhead facilities to underground, Applicant shall be notified of such necessity and shall be given the option to either terminate this Agreement in accordance with Paragraphs 13 and 16, or to pay to SCE additional charges consisting of:
 - (a) The cost to remove any portion of the Added Facilities which is no longer necessary because of alteration or rearrangement, such charge to be determined in the same manner as described in Paragraph 16; plus
 - (b) An additional payment, ITCC, and/or one-time cost, if any, for any new Added Facilities requested which shall be determined in the same manner as described in Paragraphs 1 and 2; plus

A revised Paragraph 2 charge based on the total net additional installed cost of all new and remaining Added Facilities. Such revised charge shall be determined in the same manner as described in Paragraphs 1 and 2.

12. (a) Whenever Added Facilities are replaced due to damage (caused by other than the Applicant's intentional or negligent conduct) or equipment failure and Applicant has selected replacement coverage pursuant to Paragraph 2 (a) or Paragraph 2 (b), such replacement will be at SCE's expense with no change in the Added Facilities investment amount.
- (b) Whenever Added Facilities are replaced due to damage or equipment failure and Applicant has selected no replacement coverage pursuant to Paragraph 2 , such replacement will be made by SCE at the Applicant's expense, including any applicable ITCC. Charges will be payable by the Applicant to SCE within thirty (30) days from the date of presentation of a bill. If such replacement results in a change in the Added Facilities investment, the Monthly Charge will be adjusted based on the revised added investment effective with the date the replaced Added Facilities are first available. Except that, where a replacement of Added Facilities is required for SCE's operating convenience or necessity or because of damage caused by the sole negligence or willful act of SCE, no increase will be made in the Added Facilities investment amount or the Monthly Charge.

Whenever Added Facilities are replaced due to Applicant's increased load or damage caused by the Applicant's intentional or negligent conduct, such replacement will be made by SCE at the Applicant's expense including any applicable ITCC. Charges will be payable by the Applicant to SCE within thirty (30) days from the date of presentation of a bill. Additionally, the Applicant's Monthly Charge pursuant to Paragraph 2 will be adjusted based on the revised added investment resulting from such replacement and will be effective with the date the replaced Added Facilities are first available.

13. This Agreement shall remain in effect until terminated by either party on at least thirty (30) days' advance written notice. Applicant shall pay all costs incurred to the date of termination pursuant to Paragraph 16 including charges for any engineering, surveying, right-of-way and easement acquisition expenses and other associated expenses incurred by SCE for that portion of the Added Facilities not installed.
14. SCE has the right to charge Applicant under the terms and conditions of this Agreement commencing with the date SCE, in its sole opinion, is ready to serve or commencing with the ready to serve date requested by Applicant, whichever is later.
15. Construction of the Added Facilities shall not commence prior to receipt by SCE of appropriate rights of way and/or easements, and applicant's payment of all monies due as described in Paragraphs 1 and 2(a)(2).
16. Upon discontinuance of the use of any Added Facilities due to termination of service, termination of this Agreement, or otherwise:
 - (a) Applicant shall pay to SCE on demand (in addition to all other monies to which SCE may be legally entitled by virtue of such termination) a facility termination charge defined as the removal cost, less the salvage value for the Added Facilities to be removed. Commencing in the sixteenth (16) year after the date service is first rendered by means of Added Facilities, 20 percent of the termination charge shall be subtracted from that charge each year until the total charge is zero.
 - (b) SCE shall be entitled to remove and shall have a reasonable time in which to remove any portion of the Added Facilities located on the Applicant's property.

SCE may, at its option, alter, rearrange, convey, or retain in place any portion of the Added Facilities located off Applicant's property. Where all or any portion of the Added Facilities located off Applicant's property are retained in place and used by SCE to provide permanent service to other customers, the facility termination charge described in Paragraph 16(a) shall be reduced by the installed cost of the retained facilities.
17. Applicant may assign this Agreement only with SCE's written consent. Such consent will not unreasonably be withheld. Furthermore, such assignment shall be deemed to include, unless otherwise specified therein, all of Applicant's rights to any refunds which might become due upon discontinuance of the use of any Added Facilities.
18. This Agreement shall, at all times be subject to changes or modifications as the Commission may, from time to time, direct in the exercise of its jurisdiction.
19. In witness whereof, the parties hereto have caused this Agreement to be signed by their duly authorized representatives/agents. This Agreement is effective as of the last date set forth below.

 APPLICANT

SOUTHERN CALIFORNIA EDISON COMPANY

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE SIGNED: _____

DATE SIGNED: _____

A.F. No. _____

SOUTHERN CALIFORNIA EDISON COMPANY
EXHIBIT "A"
APPLICANT FINANCED ADDED FACILITIES

A. F. NO. _____

APPLICANT _____

SERVICE ADDRESS _____

APPLICANT REQUESTED READY TO SERVE DATE _____

All Estimated Costs Shown in this Exhibit "A" (SCE to Select One):

___ are not binding estimates (final billing based on recorded costs), or

___ are binding estimates valid for Added Facilities completed on or before _____

DESCRIPTION OF ADDED FACILITIES

Original Estimated Demand _____ kVA

W.O. No(s). _____

DESCRIPTION OF ONE-TIME COSTS (Paragraph 1)

W.O. No(s). _____

EXHIBIT "A"
APPLICANT FINANCED ADDED FACILITIES

SCE's Actual Ready to Serve Date _____

APPLICANT INITIALS & DATE _____
(Original Estimate Only)

ORIGINAL ESTIMATE
DATE _____

AMENDMENT
DATE _____

A) TOTAL INSTALLED ADDED FACILITIES COST
(Paragraph 1)

B) ITCC (Paragraph 1) (A X 22 %)

(I)

C) ONE-TIME PAYMENT OPTION
OWNERSHIP COST ONLY [Paragraph 2(a)(2)]

D) ONE TIME COSTS INCLUDING ITCC
(Paragraph 1)

E) TOTAL CUSTOMER ADVANCE (A + B + C + D)

F) MONTHLY ADDED FACILITIES CHARGE
(Paragraph 2) (A X ____%)

AMENDMENT
DATE _____

FINAL RECORDED COSTS
DATE _____

A) TOTAL INSTALLED ADDED FACILITIES COST
(Paragraph 1)

B) ITCC (Paragraph 1) (A X 22 %)

(I)

C) ONE-TIME PAYMENT OPTION
OWNERSHIP ONLY [Paragraph 2(a)(2)]

D) ONE TIME COSTS INCLUDING ITCC
(Paragraph 1)

E) TOTAL CUSTOMER ADVANCE (A + B + C + D)

F) MONTHLY ADDED FACILITIES CHARGE
(Paragraph 2) (A X ____%)



TABLE OF CONTENTS

Sheet 1

Cal. P.U.C.
Sheet No.

TITLE PAGE	11431-E	
TABLE OF CONTENTS - RATE SCHEDULES 49136-49108-49109-49110-48660-48661-48934-E		(T)
..... 48743-48803-E		
TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS	48803-E	
TABLE OF CONTENTS - RULES	48832-E	
TABLE OF CONTENTS - INDEX OF COMMUNITIES, MAPS, BOUNDARY DESCRIPTIONS	48665-E	
TABLE OF CONTENTS - SAMPLE FORMS 48665-48882-48667-49137-48846-48847-E		(T)
..... 48668-48669-47529-E		

PRELIMINARY STATEMENT:

A. Territory Served	22909-E	
B. Description of Service	22909-E	
C. Procedure to Obtain Service	22909-E	
D. Establishment of Credit and Deposits	22909-E	
E. General..... 45178-45179-45180-45181-45182-E		
F. Symbols	37168-E	
G. Gross Revenue Sharing Mechanism 26584-26585-26586-26587-27195-27196-27197-E		
..... 27198-27199-27200-27201-E		
H. Baseline Service 45183-45598-11880-11881-31679-E		
I. Advanced Metering Infrastructure Balancing Account	48572-48573-E	
J. Palo Verde Balancing Account..... 47626-44943-44944-E		
K. Nuclear Decommissioning Adjustment Mechanism	36582-47710-E	
L. Purchase Agreement Administrative Costs Balancing Account	46061-44042-E	
M. Income Tax Component of Contributions	49134-27632-E	(T)
N. Memorandum Accounts..... 21344-48574-48575-42035-47392-41775-45585-45586-47627-E		
..... 48576-42841-42842-44948-44949-44950-44951-44952-44953-42849-42850-42851-E		
..... 41717-47876-44297-42855-42856-44341-45252-47628-42860-42861-42862-42863-E		
..... 42864-48577-48578-44956-45920-45185-42870-48579-42872-42873-42874-46539-E		
..... 42876-42877-42878-42879-42880-42881-42882-42883-44958-42885-44959-42887-E		
..... 47275-44960-47098-47358-47359-48580-43806-43889-43890-43891-43892-44029-E		
..... 44133-45906-45097-E		
O. California Alternate Rates for Energy (CARE) Adjustment Clause..... 34705-41902-E		
..... 36472-38847-48305-E		
P. Optional Pricing Adjustment Clause (OPAC) 27670-27671-27672-27673-27674-E		

(Continued)

(To be inserted by utility)
Advice 2666-E
Decision _____

Issued by
Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
Date Filed Dec 2, 2011
Effective Jan 1, 2012
Resolution _____



TABLE OF CONTENTS

Sheet 14

(Continued)

SAMPLE FORMS (Continued)

<u>Form No.</u>	<u>Other Agreements (Continued)</u>	<u>Cal. P.U.C. Sheet No.</u>
14-632	Schedule LS-1 Differential Facilities Rate Agreement.....	45878-E
14-652	Energy Service Provider Service Agreement	23086-E
14-655	Interval Metering And Metering Facilities Agreement.....	27771-E
14-683	SCE Cost Manager® Service Agreement.....	45097-E
14-684	Edison AMICOS™ Service Agreement for Electric Service Providers (ESPs)....	27773-E
14-689	Optimal Billing Period Service Agreement.....	47502-E
14-69	Agreement for Work Done at Applicant's Request Where Advance Deposit/Payment is Required.....	44243-E
14-699	Meter Purchase And Related Meter Services Authorization Form	25727-E
14-699-A	Meter Purchase and Related Meter Services Change Order Authorization	25728-E
14-712	Letter To Make Application And Establish Credit	26710-E
14-721	Net Energy Metering Surplus Electricity Compensation Selection Form.....	46417-E
14-785	Renewable and Alternative Power California Renewable Energy Small Tariff CREST Excess Agreement.....	49056-E
14-786	Renewable and Alternative Power California Renewable Energy Small Tariff CREST Agreement.....	49057-E
14-789	Local Government Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) Benefiting Account Designation Form.....	45385-E
14-792	On-Bill Financing Agreement	46829-E
14-798	Standard Contract for Eligible CHP Facilities	47255-E
14-799	Contract for Eligible CHP Facilities with Net Output of Not Greater than 5 MW .	47256-E
14-81-1	General Service Time-of-Use Pricing Study, Customer Information Form (Energy).....	5258-E
14-81-2	General Service Time-of-Use Pricing Study, Customer Information Form (Demand).....	5259-E
16-165	Air Conditioner Cycling Program Commercial Industrial Participation Agreement.....	47996-E
14-905	On-Bill Financing Agreement Third-Party Implemented Projects.....	46833-E
16-306	Agreement to Extend Term of Incremental Sales Agreement	27774-E
16-308	Added Facilities Agreement Edison Financed	27775-E
16-309	Added Facilities Agreement Applicant Financed	49135-E
16-327	Schedule TOU-8, Energy Efficiency Declaration	18513-E
16-345	Southern California Edison Company Net Energy Metering Monthly/Annual Billing Option Election.....	37189-E

(T)

(Continued)

(To be inserted by utility)
 Advice 2666-E
 Decision _____

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Akbar Jazayeri
Vice President

(To be inserted by Cal. PUC)
 Date Filed Dec 2, 2011
 Effective Jan 1, 2012
 Resolution _____

Attachment B

HR 4853

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2010.

(2) CONFORMING AMENDMENT RELATING TO GENERATION-SKIPPING TRANSFERS.—The amendment made by subsection (b)(2) shall apply to generation-skipping transfers after December 31, 2010.

SEC. 304. APPLICATION OF EGTRRA SUNSET TO THIS TITLE.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall apply to the amendments made by this title.

TITLE IV—TEMPORARY EXTENSION OF INVESTMENT INCENTIVES

SEC. 401. EXTENSION OF BONUS DEPRECIATION; TEMPORARY 100 PERCENT EXPENSING FOR CERTAIN BUSINESS ASSETS.

(a) IN GENERAL.—Paragraph (2) of section 168(k) is amended—

(1) by striking “January 1, 2012” in subparagraph (A)(iv) and inserting “January 1, 2014”, and

(2) by striking “January 1, 2011” each place it appears and inserting “January 1, 2013”.

(b) TEMPORARY 100 PERCENT EXPENSING.—Subsection (k) of section 168 is amended by adding at the end the following new paragraph:

“(5) SPECIAL RULE FOR PROPERTY ACQUIRED DURING CERTAIN PRE-2012 PERIODS.—In the case of qualified property acquired by the taxpayer (under rules similar to the rules of clauses (ii) and (iii) of paragraph (2)(A)) after September 8, 2010, and before January 1, 2012, and which is placed in service by the taxpayer before January 1, 2012 (January 1, 2013, in the case of property described in subparagraph (2)(B) or (2)(C)), paragraph (1)(A) shall be applied by substituting ‘100 percent’ for ‘50 percent.’”

(c) EXTENSION OF ELECTION TO ACCELERATE THE AMT CREDIT IN LIEU OF BONUS DEPRECIATION.—

(1) EXTENSION.—Clause (iii) of section 168(k)(4)(D) is amended by striking “or production” and all that follows and inserting “or production—

“(I) after March 31, 2008, and before January 1, 2010, and

“(II) after December 31, 2010, and before January 1, 2013,

shall be taken into account under subparagraph (B)(ii) thereof.”

(2) RULES FOR ROUND 2 EXTENSION PROPERTY.—Paragraph (4) of section 168(k) is amended by adding at the end the following new subparagraph:

“(I) SPECIAL RULES FOR ROUND 2 EXTENSION PROPERTY.—

“(i) IN GENERAL.—In the case of round 2 extension property, this paragraph shall be applied without regard to—

“(I) the limitation described in subparagraph (B)(i) thereof, and

“(II) the business credit increase amount under subparagraph (E)(iii) thereof.

“(ii) TAXPAYERS PREVIOUSLY ELECTING ACCELERATION.—In the case of a taxpayer who made the election under subparagraph (A) for its first taxable year ending after March 31, 2008, or a taxpayer who made the election under subparagraph (H)(ii) for its first taxable year ending after December 31, 2008—

“(I) the taxpayer may elect not to have this paragraph apply to round 2 extension property, but

“(II) if the taxpayer does not make the election under subclause (I), in applying this paragraph to the taxpayer the bonus depreciation amount, maximum amount, and maximum increase amount shall be computed and applied to eligible qualified property which is round 2 extension property. The amounts described in subclause (II) shall be computed separately from any amounts computed with respect to eligible qualified property which is not round 2 extension property.

“(iii) TAXPAYERS NOT PREVIOUSLY ELECTING ACCELERATION.—In the case of a taxpayer who neither made the election under subparagraph (A) for its first taxable year ending after March 31, 2008, nor made the election under subparagraph (H)(ii) for its first taxable year ending after December 31, 2008—

“(I) the taxpayer may elect to have this paragraph apply to its first taxable year ending after December 31, 2010, and each subsequent taxable year, and

“(II) if the taxpayer makes the election under subclause (I), this paragraph shall only apply to eligible qualified property which is round 2 extension property.

“(iv) ROUND 2 EXTENSION PROPERTY.—For purposes of this subparagraph, the term ‘round 2 extension property’ means property which is eligible qualified property solely by reason of the extension of the application of the special allowance under paragraph (1) pursuant to the amendments made by section 401(a) of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (and the application of such extension to this paragraph pursuant to the amendment made by section 401(c)(1) of such Act).”.

(d) CONFORMING AMENDMENTS.—

(1) The heading for subsection (k) of section 168 is amended by striking “JANUARY 1, 2011” and inserting “JANUARY 1, 2013”.

(2) The heading for clause (ii) of section 168(k)(2)(B) is amended by striking “PRE-JANUARY 1, 2011” and inserting “PRE-JANUARY 1, 2013”.

(3) Subparagraph (D) of section 168(k)(4) is amended—

(A) by striking clauses (iv) and (v),

(B) by inserting “and” at the end of clause (ii), and

(C) by striking the comma at the end of clause (iii) and inserting a period.

(4) Paragraph (5) of section 168(l) is amended—

- (A) by inserting "and" at the end of subparagraph (A),
 - (B) by striking subparagraph (B), and
 - (C) by redesignating subparagraph (C) as subparagraph (B).
- (5) Subparagraph (C) of section 168(n)(2) is amended by striking "January 1, 2011" and inserting "January 1, 2013".
- (6) Subparagraph (D) of section 1400L(b)(2) is amended by striking "January 1, 2011" and inserting "January 1, 2013".
- (7) Subparagraph (B) of section 1400N(d)(3) is amended by striking "January 1, 2011" and inserting "January 1, 2013".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 2010, in taxable years ending after such date.

(2) TEMPORARY 100 PERCENT EXPENSING.—The amendment made by subsection (b) shall apply to property placed in service after September 8, 2010, in taxable years ending after such date.

SEC. 402. TEMPORARY EXTENSION OF INCREASED SMALL BUSINESS EXPENSING.

(a) DOLLAR LIMITATION.—Section 179(b)(1) is amended by striking "and" at the end of subparagraph (B) and by striking subparagraph (C) and inserting the following new subparagraphs:

"(C) \$125,000 in the case of taxable years beginning in 2012, and

"(D) \$25,000 in the case of taxable years beginning after 2012."

(b) REDUCTION IN LIMITATION.—Section 179(b)(2) is amended by striking "and" at the end of subparagraph (B) and by striking subparagraph (C) and inserting the following new subparagraphs:

"(C) \$500,000 in the case of taxable years beginning in 2012, and

"(D) \$200,000 in the case of taxable years beginning after 2012."

(c) INFLATION ADJUSTMENT.—Subsection (b) of section 179 is amended by adding at the end the following new paragraph:

"(6) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of any taxable year beginning in calendar year 2012, the \$125,000 and \$500,000 amounts in paragraphs (1)(C) and (2)(C) shall each be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2006' for 'calendar year 1992' in subparagraph (B) thereof.

"(B) ROUNDING.—

"(i) DOLLAR LIMITATION.—If the amount in paragraph (1) as increased under subparagraph (A) is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

"(ii) PHASEOUT AMOUNT.—If the amount in paragraph (2) as increased under subparagraph (A) is not

Attachment C

**CIAC GROSS-UP COMPUTATION INCLUDING CALIFORNIA TAXES
EFFECTIVE JANUARY 1, 2012 THROUGH DECEMBER 31, 2012
WITH 50% BONUS DEPRECIATION ON 20 YEAR PROPERTY (ELECTRIC)**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	
YEAR	TAX PMT/(BEN) REFLECTING CIAC OF \$1,000	TAX BASIS	CALIFORNIA DEPRECIATION RATES	CALIFORNIA RATES	STATE TAX BENEFIT	MODIFIED MACRS RATES	FEDERAL TAX RATE	FEDERAL TAX BENEFIT	REMAINING CIAC PAYABLE	WTD. AVG. UNRECOVERED TAX PMT.	RATE OF RETURN	REVENUE REQUIREMENT ON REMAINING INVESTMENT	DISCOUNT FACTOR 0.12	DISCOUNTED REVENUE REQUIREMENT ON REMAINING INVESTMENT	
1	438.4	1,000	3.334%	8.840%	2.9473	51.875%	35.00%	181.5625	253.8902	346.1451	17.000%	58.8447	0.8929	52.5424	1 (0.8929)
2	-30.94		6.445%		5.6974	3.610%		11.6018	205.6511	229.7707	17.000%	39.0610	0.7972	31.1392	2 (0.7972)
3			6.016%		5.3181	3.339%		9.6907	190.6422	198.1466	17.000%	33.6849	0.7118	23.9762	3 (0.7118)
4			5.615%		4.9637	3.089%		8.9484	176.7302	183.6862	17.000%	31.2267	0.6355	19.8451	4 (0.6355)
5			5.241%		4.6330	2.857%		8.2605	163.8366	170.2834	17.000%	28.9482	0.5674	16.4260	5 (0.5674)
6			4.892%		4.3245	2.643%		7.6272	151.8849	157.8608	17.000%	26.8363	0.5066	13.5961	6 (0.5066)
7			4.566%		4.0363	2.444%		7.0404	140.8081	146.3465	17.000%	24.8789	0.4523	11.2540	7 (0.4523)
8			4.261%		3.7667	2.261%		6.5008	130.5406	135.6744	17.000%	23.0646	0.4039	9.3154	8 (0.4039)
9			3.977%		3.5157	2.231%		6.4901	120.5349	125.5377	17.000%	21.3414	0.3606	7.6959	9 (0.3606)
10			3.712%		3.2814	2.231%		6.5763	110.6771	115.6060	17.000%	19.6530	0.3220	6.3277	10 (0.3220)
11			3.465%		3.0631	2.231%		6.6600	100.9541	105.8156	17.000%	17.9887	0.2875	5.1713	11 (0.2875)
12			3.234%		2.8589	2.231%		6.7347	91.3605	96.1573	17.000%	16.3467	0.2567	4.1958	12 (0.2567)
13			3.018%		2.6679	2.231%		6.8079	81.8847	86.6226	17.000%	14.7258	0.2292	3.3748	13 (0.2292)
14			2.817%		2.4902	2.231%		6.8730	72.5215	77.2031	17.000%	13.1245	0.2046	2.6855	14 (0.2046)
15			2.630%		2.3249	2.231%		6.9369	63.2597	67.8906	17.000%	11.5414	0.1827	2.1086	15 (0.1827)
16			2.455%		2.1702	2.231%		6.9931	54.0963	58.6780	17.000%	9.9753	0.1631	1.6272	16 (0.1631)
17			2.367%		2.0924	2.231%		7.0489	44.9550	49.5257	17.000%	8.4194	0.1456	1.2262	17 (0.1456)
18			2.367%		2.0924	2.231%		7.0745	35.7881	40.3716	17.000%	6.8632	0.1300	0.8925	18 (0.1300)
19			2.367%		2.0924	2.231%		7.0762	26.6195	31.2038	17.000%	5.3046	0.1161	0.6159	19 (0.1161)
20			2.367%		2.0924	2.231%		7.0745	17.4525	22.0360	17.000%	3.7461	0.1037	0.3883	20 (0.1037)
21			2.367%		2.0924	1.116%		3.1720	12.1881	14.8203	17.000%	2.5195	0.0926	0.2332	21 (0.0926)
22			2.367%		2.0924	(0.7323)		10.8280	11.5080	11.5080	17.000%	1.9564	0.0826	0.1617	22 (0.0826)
23			2.367%		2.0924	(0.7323)		9.4679	10.1479	10.1479	17.000%	1.7251	0.0738	0.1273	23 (0.0738)
24			2.367%		2.0924	(0.7323)		8.1077	8.7878	8.7878	17.000%	1.4939	0.0659	0.0984	24 (0.0659)
25			2.367%		2.0924	(0.7323)		6.7476	7.4277	7.4277	17.000%	1.2627	0.0588	0.0743	25 (0.0588)
26			2.367%		2.0924	(0.7323)		5.3875	6.0675	6.0675	17.000%	1.0315	0.0525	0.0542	26 (0.0525)
27			2.367%		2.0924	(0.7323)		4.0273	4.7074	4.7074	17.000%	0.8003	0.0469	0.0375	27 (0.0469)
28			2.367%		2.0924	(0.7323)		2.6672	3.3473	3.3473	17.000%	0.5690	0.0419	0.0238	28 (0.0419)
29			2.367%		2.0924	(0.7323)		1.3071	1.9871	1.9871	17.000%	0.3378	0.0374	0.0126	29 (0.0374)
30			2.367%		2.0924	(0.7323)		(0.0530)	0.6270	0.6270	17.000%	0.1066	0.0334	0.0036	30 (0.0334)
31			1.184%		1.0467	(0.7323)		(0.3674)	(0.3674)	(0.2102)	17.000%	(0.0357)	0.0298	-0.0011	31 (0.0298)
32					0.0000	(0.3663)		(0.3663)	(0.0011)	(0.1843)	17.000%	(0.0313)	0.0266	-0.0008	32 (0.0266)
			100.000%		88.4000	100.000%		319.0611				427.3112		215.2289	
	407.46							407.4611				215.2289	/ 1000	21.5200%	
														22.0000%	