January 12, 2017

Russell G. Worden
Director, Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, CA 91770

Subject: Revisions to SCE’s Reliability Services Balancing Account
        Adjustment Rates and Transmission Revenue Balancing
        Account Adjustment Rate

Dear Mr. Worden:

Advice Letter 3511-E is effective as of January 3, 2017.

Sincerely,

Edward Randolph
Director, Energy Division
November 16, 2016

ADVICE 3511-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Revisions to Southern California Edison Company’s Reliability Services Balancing Account Adjustment Rates and Transmission Revenue Balancing Account Adjustment Rate

PURPOSE

Consistent with the following filings made by Southern California Edison Company (SCE) at the Federal Energy Regulatory Commission (FERC), SCE submits for filing with the California Public Utilities Commission (CPUC or Commission) changes to its Reliability Services Balancing Account Adjustment rates and Transmission Revenue Balancing Account Adjustment rate:

- Annual Reliability Services Rate Revision update for 2017 filed on October 31, 2016, in Docket No. ER17-232-000
- Annual Transmission Revenue Balancing Account Adjustment update for 2017 filed on October 31, 2016, in Docket No. ER16-250-000

This advice filing is made in compliance with CPUC Resolution E-3930. The rate changes proposed herein meet all requirements of the filing process established in Resolution E-3930 for approval by the Energy Division.

BACKGROUND

SCE’s Transmission Owner Tariff (TO Tariff) specifies, among other things, the rates and charges for transmission access over the California Independent System Operator (CAISO) controlled grid. Two components of those rates are the Reliability Services Balancing Account Adjustment (RSBAA) and the Transmission Revenue Balancing Account Adjustment (TRBAA).
RSBAA

Reliability Services are those services provided by the CAISO that are deemed necessary to maintain reliable electric service in the CAISO Control Area. There are currently two active categories of Reliability Services costs: 1) costs of Reliability Must Run (RMR) units, and 2) Exceptional Dispatch costs pursuant to Section 34.9 of the CAISO Tariff.

The Reliability Services Rate Schedule, Appendix VI to the TO Tariff, along with the Reliability Services Balancing Account mechanism, ensures that SCE neither over collects nor under collects Reliability Services costs.

Pursuant to its TO Tariff, SCE must revise its Reliability Services revenue requirement and RSBAA rates annually through an update filing to be effective for service rendered on and after January 1 of each year. In Docket No. ER17-232-000, filed at FERC on October 31 2016, SCE proposed that FERC accept updates to the RSBAA rate for the various rate schedules to become effective for service rendered on and after January 1, 2017. The 2017 Reliability Services Revenue Requirement for retail service is $14.3 million, an increase of $9.1 million as compared to the currently effective 2016 Reliability Services Revenue Requirement of $5.2 million. This increase is mainly due to a 2015 overcollection that was reflected in 2016 rates, and which has now been returned to customers.

This new Reliability Services Revenue Requirement is allocated to retail rate groups based on the 12 months of coincident peak demand (12-CP) methodology. The allocated revenue requirement for each rate group is then divided by forecasted kWh sales for the rate group to arrive at the revised retail RSBAA rate. The revised retail RSBAA rates are shown below:
2017 RELIABILITY SERVICES RATE REVISION FILING
PRESENT VS. PROPOSED RATES

<table>
<thead>
<tr>
<th>Rate Group</th>
<th>Present Rate</th>
<th>Proposed Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>$0.007</td>
<td>$0.021</td>
</tr>
<tr>
<td>GS-1</td>
<td>$0.007</td>
<td>$0.018</td>
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<tr>
<td>GS-2</td>
<td>$0.006</td>
<td>$0.017</td>
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<tr>
<td>TC-1</td>
<td>$0.004</td>
<td>$0.012</td>
</tr>
<tr>
<td>TOU-GS</td>
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<td>$0.016</td>
</tr>
<tr>
<td>TOU-8 Secondary</td>
<td>$0.005</td>
<td>$0.015</td>
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<tr>
<td>TOU-8 Primary</td>
<td>$0.005</td>
<td>$0.013</td>
</tr>
<tr>
<td>TOU-8 Subtransmission</td>
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<td>$0.012</td>
</tr>
<tr>
<td>TOU-8 S Secondary</td>
<td>$0.005</td>
<td>$0.015</td>
</tr>
<tr>
<td>TOU-8 S Primary</td>
<td>$0.005</td>
<td>$0.013</td>
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<tr>
<td>TOU-8 S Subtransmission</td>
<td>$0.004</td>
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<td>TOU-PA-2</td>
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<td>TOU-PA-3</td>
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<td>$0.011</td>
</tr>
<tr>
<td>Street Lighting</td>
<td>$0.003</td>
<td>$0.010</td>
</tr>
</tbody>
</table>

TRBAA

The TRBAA is a ratemaking mechanism designed to ensure that all Transmission Revenue Credits are flowed through to transmission customers. Section 5.5 of the TO Tariff identifies the items subject to the Transmission Revenue Balancing Account (TRBA) and sets forth the procedure for revising the TRBAA rate on an annual basis. The TRBAA rate is based on the balance in the TRBA as of September 30 of the current year, and a forecast of Transmission Revenue Credits for the following year.

In its Docket No. ER17-250-000 filing at FERC, SCE proposed that FERC accept a TRBAA rate of negative $0.00129/kWh to become effective for retail service rendered on and after January 1, 2017. This proposed rate reflects a decrease of $0.00093/kWh over the currently effective rate of negative $0.00036/kWh, and applies to all rate groups.

JANUARY 1, 2017 RATE CHANGES

SCE will combine the currently effective Transmission Access Charge Balancing Account Adjustment (TACBAA) rate with the proposed TRBAA rate and the proposed RSBAA rates to produce the Transmission Owners Tariff Charge Adjustment (TOTCA) rate component of the applicable tariffs effective January 1, 2017. SCE will consolidate the revised TOTCA rate with other end-of-year changes to be proposed in subsequent advice filings. Consistent with past practice, SCE will include revised tariff sheets.
reflecting all January 1, 2017 rate changes with the latest of these advice filings prior to January 1, 2017.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.1, this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

Pursuant to the TO Tariff which sets forth that the TRBAA and RSBAA rate changes shall become effective January 1 of each year, SCE requests that this advice filing become effective on January 1, 2017.

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 submitted to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@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:

Russell G. Worden
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-4177
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@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 General Rule 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and A.16-09-001 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-3719. For changes to all other service lists, please contact the CPUC’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 CPUC, log on to SCE’s web site at https://www.sce.com/wps/portal/home/regulatory/advice-letters.

For questions, please contact Robert Thomas at (626) 302-3505 or by electronic mail at Robert.Thomas@sce.com.

Southern California Edison Company

/s/ Russell G. Worden
Russell G. Worden
**Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Darrah Morgan</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC</td>
<td>Phone #: (626) 302-2086</td>
</tr>
<tr>
<td>☑ PLC</td>
<td>E-mail: <a href="mailto:Darrah.Morgan@sce.com">Darrah.Morgan@sce.com</a></td>
</tr>
<tr>
<td>□ GAS</td>
<td>E-mail Disposition Notice to: <a href="mailto:AdviceTariffManager@sce.com">AdviceTariffManager@sce.com</a></td>
</tr>
<tr>
<td>□ HEAT</td>
<td></td>
</tr>
<tr>
<td>□ WATER</td>
<td></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

<table>
<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
<tr>
<td>WATER = Water</td>
<td></td>
</tr>
</tbody>
</table>

**Advice Letter (AL) #: 3511-E**

**Subject of AL:** Revisions to Southern California Edison Company’s Reliability Services Balancing Account Adjustment Rates and Transmission Revenue Balancing Account Adjustment Rate

**Keywords (choose from CPUC listing):** Compliance

**AL filing type:** ☑ One-Time

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

E-3930

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 AL:

Confidential treatment requested? ☑ Yes

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? ☑ No

Requested effective date: 1/1/17

No. of tariff sheets: -0-

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: None

Service affected and changes proposed:

Pending advice letters that revise the same tariff sheets: N/A

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2 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 Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Russell G. Worden
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-4177
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Michael R. Hoover
Managing Director, State Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com