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Para recibir una copia de esta notificación en español, escriba a: Southern California Edison Company, P.O. Box 800, 2244 Walnut Grove Avenue, Rosemead, CA 91770, Atención: Comunicaciones Corporativas. Para más detalles en Español, llame al 1-800-441-2233 Todos los días 8:00-20:00.

SOUTHERN CALIFORNIA EDISON COMPANY

NOTICE OF APPLICATION FILING REQUESTING TO INCREASE ELECTRIC RATES FOR ALISO CANYON UTILITY OWNED ENERGY STORAGE, A. 17-03-020

SUMMARY

On March 30, 2017, Southern California Edison Company (SCE) filed an application with the California Public Utilities Commission (CPUC) requesting approval to increase rates for the recovery of costs associated with the Aliso Canyon Utility Owned Storage (UOS), A.17-03-020. This application seeks to recover costs associated with several SCE-owned energy storage projects that are designed to help maintain electric reliability in the Los Angeles Basin. The CPUC directed SCE to develop these new projects to help alleviate the energy impact during the time of limited operation at Aliso Canyon. If the CPUC approves this application, SCE's annual revenue requirement would increase on average by \$12.402 million, resulting in an estimated 0.1% system average rate increase compared to current rates.

ABOUT THE APPLICATION

SCE is requesting to recover costs associated with obtaining contracts, site assessment, and construction of four SCE-owned energy storage projects. The CPUC authorized SCE to pursue energy storage projects to help reduce reliability concerns from the suspension on gas injections at the Aliso Canyon Storage Facility. On May 26, 2016, the CPUC issued Resolution E-4791 (the Resolution) requiring SCE to create energy storage projects on an expedited basis to help alleviate outage risk within SCE's service territory. The Resolution found that turnkey projects located at SCE-owned or controlled sites would increase the likelihood of resources being timely developed. The Resolution also required the projects to be in service by December 31, 2016 to reduce the risk of winter power outages. In compliance with the resolution, SCE obtained two Tesla battery systems adjacent to SCE's Mira Loma substation in Ontario, California, and two General Electric energy storage systems integrated into SCE's existing Gas Turbine Peaker Generating Stations in Norwalk, California and Rancho Cucamonga, California. These storage projects offer online storage of electricity which can be discharged into the electrical grid as needed, reducing the likelihood of service interruptions. On December 30, 2016, the projects became fully operational and able to charge and discharge to support grid operations.

SCE is seeking to recover \$70 million in capital and operating and maintenance costs for this project which would increase system average rates approximately 0.1% compared to current rates. If approved, an average non-CARE residential customer using 550 kWh per month could see a monthly bill increase of \$0.10, from a current monthly bill of \$107.30 to \$107.40.

The following table compares SCE's current bundled average rates, by customer group, to proposed bundled average rates if SCE's cost recovery proposal in this application is approved by the CPUC:

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	Current	Revenue	Proposed					
	Revenues	Increase	Revenue	% Increase	Current Rates	Rate Increase	Proposed	
Customer Group	(\$000)	$(\$000)^1$	$($000)^{1}$	over Current	(¢/kWh)	(¢/kWh)	Rates (¢/kWh)	% Increase
Residential	4,917,589	4,852	4,922,441	0.10%	17.76	0.02	17.78	0.10%
Lighting - Small and Medium Power	4,419,380	4,429	4,423,809	0.10%	16.84	0.02	16.86	0.09%
Large Power	1,977,952	2,413	1,980,365	0.12%	11.91	0.01	11.93	0.10%
Agricultural and Pumping	412,602	328	412,931	0.08%	12.71	0.01	12.72	0.08%
Street and Area Lighting	132,948	65	133,013	0.05%	18.05	0.01	18.06	0.05%
Standby	275,239	314	275,553	0.11%	9.61	0.01	9.62	0.10%
Total	12,135,710	12,402	12,148,112	0.10%	15.83	0.02	15.84	0.10%

Revenue and Rate Increase by Customer Group

 $\frac{1}{2}$ \$12.402 million is the average of the annual revenues over the 2017 – 2020 time period as shown in Tables X-16 and X-17 in SCE's supporting testimony (SCE-01) served concurrently with SCE's application A.17-03-020.

** Actual changes in rates will be determined by the CPUC

FOR FURTHER INFORMATION ABOUT SCE'S APPLICATION

You may review a copy of SCE's application and related exhibits at SCE's corporate headquarters (2244 Walnut Grove Avenue, Rosemead, CA 91770).

Customers with Internet access may view and download SCE's application and related exhibits on SCE's website at <u>http://on.sce.com/2p1JBfw</u>, or by visiting <u>www.sce.com/applications</u>, typing "A.17-03-020" into the Search box, and clicking "Go." If you have technical issues accessing the documents through the website, please e-mail <u>case.admin@sce.com</u> for assistance (be sure to reference proceeding A.17-03-020 in your e-mail).

To request a hard copy of SCE's application and related exhibits, or to obtain more information about this application from SCE, please write to:

Southern California Edison Company A.17-03-020 – SCE's Aliso Canyon UOS Application P.O. Box 800 Rosemead, CA 91770 Attention: David Balandran In addition, a copy of this application may be reviewed at the CPUC's Central Files Office, located in San Francisco, CA, by appointment. For more information, please contact the CPUC at <u>aljcentralfilesid@cpuc.ca.gov</u> or (415) 703-2045.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt SCE's application as proposed, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application on behalf of SCE's ratepayers. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about ORA, please call (415) 703-1584, e-mail <u>ora@cpuc.ca.gov</u> or visit ORA's website at <u>www.ora.ca.gov/</u>.

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If you would like to learn how you can participate in this proceeding, provide public comments, or if you have questions about any CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <u>www.cpuc.ca.gov/pao/</u>. You may also contact the PAO as follows:

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074 TTY 1-866-836-7825 (toll-free) or 1-415-703-5282

Or write to: CPUC Public Advisor's Office 505 Van Ness Avenue San Francisco, CA 94102

Email: public.advisor@cpuc.ca.gov

Please reference application number A.17-03-020 in any communications with the CPUC regarding this matter. All public comments will become part of the public correspondence file

for this proceeding and made available for review by the assigned Judge, the Commissioners, and appropriate CPUC staff.