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Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue Rosemead, CA 91770  
Atención: Comunicaciones Corporativas

## **SOUTHERN CALIFORNIA EDISON COMPANY**

### **NOTICE OF APPLICATION FILING TO CHANGE ELECTRIC RATES FOR THE 2016 ENERGY RESOURCE RECOVERY ACCOUNT REVIEW APPLICATION A. 17-04-004**

#### **SUMMARY**

On April 3, 2017, Southern California Edison Company (SCE) filed an application with the California Public Utilities Commission (CPUC) for a review of its 2016 operations for certain aspects of its business. This review will cover a portion of SCE's ability to obtain electricity on behalf of its customers and its ability to produce energy for its customers from utility owned resources. This application requests CPUC approval for a **decrease** in SCE's revenue requirement due to a net over-collection in certain authorized SCE memorandum and/or balancing accounts. This application is commonly referred to as SCE's Energy Resource Recovery Account (ERRA) Review Application.

#### **ABOUT THE PROPOSAL**

This application will review the following 2016 SCE information:

- (1) If the delivery of SCE's electricity, both SCE owned and contracted, was compliant with CPUC regulations;
- (2) If SCE accurately recorded purchases of power and fuel in its ERRA Balancing Account; and
- (3) If SCE managed its contracts with electricity producers in compliance with CPUC regulations and reasonably operated its own generation resources.

In 2016, one authorized SCE account did not have sufficient funds to cover costs (under-collected), and two authorized SCE accounts had more funds than necessary to cover costs (over-collected). The accounts are listed below:

- (1) The Renewable Portfolio Standard Costs Memorandum Account (which tracks costs related to studies necessary to connect renewable energy resources to SCE's system) did not have sufficient funds to cover costs;
- (2) The Project Development Division Memorandum Account (which tracks costs related to potential SCE-owned generation projects) had more funds than necessary to cover costs; and

- (3) The Purchase Agreement Administrative Costs Balancing Account (which tracks costs related to the difference between portions of SCE’s actual and authorized administrative expenses) had more funds than necessary to cover costs.

SCE also proposes to return to customers the unspent and uncommitted funds from its 2015-2016 Demand Response (DR) funding period. Including the amount over-collected in the three accounts discussed above, SCE requests a net revenue decrease of \$83.748 million. This decrease will result in a reduction to customers’ rates of approximately \$0.11 per kilowatt-hour.

**RATE IMPACT OF SCE’S APPLICATION**

Compared to revenues as of January 1, 2017, SCE’s ERRA Review application requests a revenue decrease of \$83.748 million, or a 0.7% system average rate decrease beginning in 2018.

For illustrative purposes, **if the CPUC approves total rates as requested in SCE’s application, an average residential electric customer using 550 kilowatt-hours per month could expect to see a decrease of \$0.84 per month, from \$107.30 to \$106.46.** The following table shows current rates compared to the proposed revenue and rate changes by customer group.

Customer Group	System		
	Current Revenues (\$000)	Proposed Revenue Change (\$000)	% Change over Current
Residential	4,915,711	(41,148)	-0.8%
Lighting - Small and Medium Power	4,417,692	(28,318)	-0.6%
Large Power	1,977,197	(10,433)	-0.5%
Agricultural and Pumping	412,445	(2,476)	-0.6%
Street and Area Lighting	132,897	(191)	-0.1%
Standby	275,134	(1,182)	-0.4%
Total	12,131,076	(83,748)	-0.7%

Customer Group	Bundled		
	Current Rates (¢/kWh)	Proposed Rates (¢/kWh)	% Change over current
Residential	17.76	17.61	-0.8%
Lighting - Small and Medium Power	16.84	16.74	-0.6%
Large Power	11.91	11.86	-0.5%
Agricultural and Pumping	12.71	12.63	-0.6%
Street and Area Lighting	18.05	18.03	-0.1%
Standby	9.61	9.57	-0.4%
Total	15.83	15.72	-0.7%

## **FOR FURTHER INFORMATION ABOUT SCE'S APPLICATION**

You may review a copy of this 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, **www.sce.com/applications** (type "A.17-04-004" into the Search box and click "Go"). If you have technical issues accessing the documents through the website, please e-mail **case.admin@sce.com** for assistance (be sure to reference proceeding A.17-04-004 in your e-mail).

Anyone who would like to obtain more information about this application from SCE, please write to:

Southern California Edison Company  
A.17-04-004 – SCE's 2016 ERRRA Review  
P.O. Box 800  
Rosemead, CA 91770  
Attention: Law Department – Olivia Samad

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 them at **aljcentralfilesid@cpuc.ca.gov** 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.

As a party of record, 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 **ora@cpuc.ca.gov** or visit ORA's website at **www.ora.ca.gov/**.

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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\*\*](mailto:public.advisor@cpuc.ca.gov)

Please reference SCE's 2016 ERRRA Review Application Number A.17-04-004 in any communications you have 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 for the assigned Judge, the Commissioners, and appropriate CPUC staff.