



Contact your account representative for additional information and assistance.

## QUICK LINKS TO FIND ENERGY INFO

### SCE Home Page

– [www.sce.com](http://www.sce.com)

### Energy-Related Learning

– [www.sce.com/ctac](http://www.sce.com/ctac)  
– [www.sce.com/agtac](http://www.sce.com/agtac)

### Statewide Transmission System Status

– [www.caiso.com](http://www.caiso.com)

### Utility Regulation

– [www.cpuc.ca.gov](http://www.cpuc.ca.gov)  
– [www.energy.ca.gov](http://www.energy.ca.gov)

## SCE to Update Business Customers on Proposed Rate Changes

In September and October, Southern California Edison (SCE) will hold several Electricity Outlook sessions to update business customers on forecasted 2010 rate changes and other current electric utility issues.

The sessions will mainly focus on providing an in-depth understanding of the various changes that will impact your rates beginning in October 2009, such as the new Critical Peak Pricing (CPP) rate.

SCE's total 2010 system revenue requirement increase is estimated to be \$655.5 million, or 5.9%. This forecast is based on information available in August, and will be updated in November.

SCE's recent Energy Resource Recovery Account (ERRA) regulatory filing includes rate changes due to the 2009 General Rate Case and other revenue requirement changes. (See sidebar for details on SCE rate components.) A significant portion of the other increase in revenue requirements comes from one-time rate reductions this year that are being eliminated in 2010. The 2009 one-time rate reductions include a refund of program funds meant to offset above-market costs of renewable energy, the temporary suspension of the collection of California Solar Initiative (CSI) incentives, and Performance-Based Ratemaking penalty costs.

### Decreases in Several Rate Factors

However, several factors are also contributing to increases lower than initially anticipated. After taking into account the expected kilowatt-hour (kWh) sales decrease in 2010, SCE is requesting a decrease in ERRA revenues in the amount of \$403.3 million, or a 3.62% decrease from SCE's current total revenue levels. This is mainly due to the current forecast of lower prices for natural gas, which makes up approximately half of SCE's energy portfolio.

Similarly, the California Department of Water Resources (DWR) also is projecting a decrease in its 2010 power charge and bond charge revenue requirements. SCE estimates that our portion of these DWR costs will result in a \$58.9-million decrease in rates.

### New Critical Peak Pricing

Under the direction of the California Public Utilities Commission (CPUC), effective Oct. 1, 2009, customers with a demand of more than 200 kW will be placed on a Critical Peak Pricing (CPP) rate. This will not apply to customers participating in any demand response, standby and Net Energy Metering programs or to direct access customers. (If you are now participating in multiple demand response programs and the current CPP, check with your account representative to determine the best solution for your business.)

Since CPP is a summertime program, with events occurring June through September, your electric bills will be the same as under your base rate (i.e. TOU-GS-3-B or TOU-8-B, whichever applies to your account) during the coming winter months. In addition, you will receive bill protection for the first year on CPP (starting in October 2009), meaning the total amount you pay on the CPP rate for the first 12 months will not exceed what you would have paid on your base rate. If you pay less on CPP for your first year than the amount you would have otherwise paid, the savings are yours to keep.

Beginning next June, the CPP rate will offer a discount on monthly on-peak demand charges during the summer months. When electricity demand and prices climb, SCE will conduct CPP events, during which energy charges will significantly increase. However, if you can reduce or reschedule usage to lower-demand times of day during these events, CPP may help you lower your electric bill.

To help you determine the potential effect the new CPP rate could have on your facility (or facilities), SCE will send you bill impact analyses in September comparing your current rate plan (prior to your October meter read date) to the new CPP rate (with different reduction scenarios), and the optional TOU-8-B or TOU-GS-3-B rates, as applicable. You may opt out of the CPP program prior to Oct. 1, 2009, but we encourage you to review the analysis and talk with your account representative. If, after being placed on the CPP rate, you determine another rate is better for you, you may switch at anytime.

### Additional Demand Response Updates

A recent CPUC decision establishes a cap on megawatts of existing interruptible programs, including the Time-of-Use Base Interruptible Program (TOU-BIP), Agricultural and Pumping Interruptible Program (AP-I) and the Summer Discount Plan (SDP), pending the outcome of future proceedings.

Because of this, any new TOU-BIP and AP-I agreements will be placed on a waiting list. SDP agreements will not be affected at this time. For details, contact your account representative.

### Electricity Outlook Sessions

The Fall 2009 Electricity Outlook presentations will cover rate design changes coming in October 2009 and forecasted 2010 rates. The presentations run from 8 a.m. to 9:30 a.m., with continental breakfast beginning at 7:30 a.m.

The schedule includes sessions on Sept. 30 in Torrance, Oct. 8 in San Bernardino, Oct. 9 in Irwindale, Oct. 13 in Tulare, Oct. 14 in Costa Mesa and Oct. 16 in Oxnard. To register, contact your account representative or call 626.812.7537 or 800.336.2822 extension 42537.

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## Understanding SCE's Rate Change Factors

Three main components factor into SCE's rates:

- **Energy Resource Recovery Account (ERRA):** An annual regulatory proceeding created to pass through (with no mark-up) SCE's fuel- and energy-related costs to bundled service customers. The operation of this account protects SCE customers against a forecast that turns out to be higher than recorded costs, meaning over-collections are returned to customers the following year through the next ERRA proceeding.
- **General Rate Case (GRC):** A periodic regulatory proceeding in which the California Public Utilities Commission reviews utility costs (other than fuel or purchased power costs) and authorizes cost recovery for the next three years.
- **California Department of Water Resources (DWR) Purchases:** The charges SCE customers pay for obtaining power through the DWR, which is still buying electricity for California utility customers under long-term power purchase contracts acquired during the California energy crisis in 2001.

## Direct Access Undercollection Charge Gets Set to Zero

Effective Aug. 1, 2009, the Undercollection Charge (UC) component of the Direct Access Cost Responsibility Surcharge (DA CRS) will be set to zero for GS-2, TOU-GS-3 and TOU-8 direct access (DA) customers. These customers will receive a rate decrease of 1.839 cents per kWh, the current UC factor amount, and their DA CRS will no longer be capped at 2.7 cents per kWh.

Continuous DA customers (those participating in direct access from Feb. 1 to Sept. 20, 2001) will see no impact from this change because they do not pay the UC component.

## GOVERNMENT & INSTITUTIONS SEGMENT FOCUS

### City of Monrovia Becomes Energy Leader With SCE Support

Thinking globally and acting locally, the City of Monrovia is achieving significant energy savings and improving the environment—with the city's efforts earning it one of this year's inaugural Los Angeles County Green Leadership Awards.

At the direction of its City Council, in July 2007 Monrovia adopted its own Environmental Accords, featuring 21 action items focused on seven areas of sustainability, including energy. Establishing a "Green Team" and working through the San Gabriel Valley Energy Wise Partnership—an alliance between the San Gabriel Valley Council of Governments and SCE—the city quickly became a leader in energy management.

### First-Phase Savings of 270,000 kWh

According to Operations Division Manager/Deputy Director of Public Works Daniel Iwata, the city has "stepped forward to exemplify green leadership not just in word, but in practice." Initial measures completed under the partnership (also with the assistance of program implementer Intergy Corporation) earned the city approximately \$63,200 in incentives, with energy savings of more than 270,000 kWh. These measures include:

- Retrofitting lighting fixtures for the Monrovia Old Town.
- Making energy efficiency improvements at Fire Station 101, including adding an energy management system, upgrading from T12 to T8 fixtures, using more efficient HVAC systems, tinting windows, and installing lighting sensors and light-emitting diode (LED) exit signs.
- Installing new energy-efficient fixtures and equipment at the expanded Corporate Yard, and making retrofits to existing areas in the facility.
- Adding a cool roof to the Historical Museum to reduce the heat island effect and air pollution.

Recently, the city also completed several upgrades to its Police Department, such as installing a cool roof, adding an energy management system and making HVAC improvements.

In addition, a newly built library is in the application process to receive a U.S. Green Building Council Leadership in Energy and Environmental Design (LEED)<sup>®</sup> Silver Certification. Iwata said this facility will not only provide an improved environment for library patrons and staff, but also will familiarize community members with green building techniques and set the precedent for future construction trends in the city.



Members of Monrovia's Green Team, San Gabriel Valley Council of Governments, SCE and consultants mark the city's selection as one of the inaugural Los Angeles County Green Leadership Award recipients.

## Next Steps With Federal Stimulus Funds

Iwata credited SCE—including the city's account executive, Holly Merrihew, local Public Affairs Manager Elisa Clifford, SCE San Gabriel Valley Energy Wise Partnership Program Manager Tony Coonce, Senior Project Manager Russell Lieu and Manager Marjorie Hamilton—with being a proactive partner to help the city efficiently and effectively implement multiple energy-efficiency measures.

"We have a family relationship with SCE. It's great customer service," he said. "They really keep up with us in terms of whatever information we need and point us in the right direction."

Looking ahead, Monrovia plans to use federal stimulus funds allocated to the city for more energy-saving projects based on an action plan developed with SCE, including additional energy-efficiency lighting retrofits, and replacement of more traffic signals with LED technology. Longer term, Iwata said, the city hopes to pursue a renewable energy project.

For cities looking to follow Monrovia's lead, Iwata encouraged them to begin with SCE. "They're a good catalyst for cities that need help in getting started to go green. It's a lot of work initially to take your inventory. It's valuable to have someone guiding you, and any cities starting out would find that very helpful."

To learn more about how you also can benefit from SCE's wide array of energy management programs and services, contact your account representative or visit [www.sce.com/b-rs/large-business/](http://www.sce.com/b-rs/large-business/).

## Save the Date: League of California Cities 2009 Conference

The League of California Cities will host its 2009 annual conference and expo, with a theme of "Strong Cities, Strong State, Strong Nation," in San Jose on Sept. 16-18, 2009. SCE, a League Partner, will showcase advanced meters (Edison SmartConnect<sup>™</sup>), electric transportation, new transmission projects and energy-efficiency programs. For details, and to register, visit [www.cacities.org/events/](http://www.cacities.org/events/).