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NOTICE OF APPLICATION FILING TO CHANGE ELECTRIC RATES FOR THE 2017 ENERGY RESOURCE RECOVERY ACCOUNT REVIEW

APPLICATION A.18-03-016

SUMMARY

On March 29, 2018, Southern California Edison Company (SCE) filed an application with the California Public Utilities Commission (CPUC) for a review of its 2017 operations. This review is limited to only certain aspects of SCE's 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 2017 SCE information:

- (1) If the delivery of SCE's electricity, both SCE owned and contracted, complied 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 2017, two authorized SCE accounts had more funds than necessary to cover costs (over-collected). The accounts are listed below:

- (1) The Project Development Division Memorandum Account. This account tracks costs related to identifying locations for new SCE-owned generation projects and evaluating generation technologies; and
- (2) The Purchase Agreement Administrative Costs Balancing Account. This account tracks the difference between authorized and actual administrative costs for the Demand Response Aggregator Managed Portfolio Program.

In addition, SCE proposes to return to customers SCE's share of the net proceeds from the federal government for costs incurred by SCE during the 2014-2015 period resulting from the Department of Energy's (DOE) failure to meet its legal obligation to store used nuclear fuel.

SCE also proposes to return to customers the unspent and uncommitted funds from its 2016-2017 Demand Response (DR) funding period.

Including the amount over-collected in the two accounts discussed above, along with the two proposed refunds, SCE requests a net revenue **decrease** of \$54.477 million. This decrease will result in a reduction to customers' rates of approximately \$0.10 per kilowatt-hour.

RATE IMPACT OF SCE'S APPLICATION

Compared to revenues as of January 1, 2018, SCE's ERRR Review application requests a revenue **decrease** of \$54.477 million, or a 0.4% system average rate **decrease** beginning in 2018.

If this application is approved, an average residential electric customer using 550 kilowatt-hours per month could expect to see a decrease of \$0.51 per month, from \$110.90 to \$110.39.

The following table shows current rates compared to the proposed revenue and rate changes by customer group.

Customer Group	System Revenues			Bundled Average Rates		
	Current Revenues (\$000)	Revenue Change (\$000)	% Change over Current	Current Rates (¢/kWh)	Proposed Rates (¢/kWh)	% Change over Current
Residential	4,872,541	-24,069	-0.5%	18.1	18.1	-0.5%
Lighting – Small and Medium Power	4,399,440	-18,659	-0.4%	17.3	17.2	-0.4%
Large Power	2,035,704	-8,257	-0.4%	12.3	12.2	-0.5%
Agricultural and Pumping	441,361	-1,993	-0.5%	13.5	13.4	-0.5%
Street and Area Lighting	126,778	-231	-0.2%	18.6	18.5	-0.2%
Standby	286,857	-1,269	-0.4%	10.2	10.1	-0.5%
TOTAL	12,162,682	-54,477	-0.4%	16.2	16.1	-0.5%

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 at **<http://on.sce.com/2GybJ6X>** or by visiting **www.sce.com/applications** (type "A.18-03-016 into the Search box and click "Go"). If you have technical issues accessing the documents through the website, please email **case.admin@sce.com** for assistance (reference proceeding A.18-03-016 in your email).

To request a CD ROM copy of SCE's application and related exhibits, or to obtain more information about the Application, please write to:

Southern California Edison Company
A.18-03-016 – SCE's 2017 Erra Review
P.O. Box 800
Rosemead, CA 91770
Attention: Susan DiBernardo

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 **1-415-703-2045**.

*Los usuarios con acceso al Internet podrán leer y descargar esta notificación en español en el sitio Web de SCE **www.sce.com/avisos** o escriba a:*

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

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 **1-415-703-1584**, email **ora@cpuc.ca.gov** or visit ORA's website at **www.ora.ca.gov/**.

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If you would like to learn how you can participate in this proceeding, have informal comments, or if you have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at **www.cpuc.ca.gov/pao**. 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 SCE's 2017 Erra Review Application Number A.18-03-016 in any communications with the CPUC. 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 CPUC staff.