

# Rate Schedule ME for Maritime Entities



## What Is Rate Schedule ME for Maritime Entities at the Port of Long Beach?

Rate Schedule ME provides electric infrastructure and discounted rates to applicable Maritime Entities (ME) at the Port of Long Beach (Port). The rate option was established on April 14, 2014, in part to facilitate expansion of our electric distribution facilities to serve projected load growth at the Port. SCE's electric infrastructure and discounted rates help keep the Port competitive; without them, SCE risked losing load to ports in other areas, which would have had the effect of spreading SCE's fixed costs of service over a smaller base of customer load.

## Who Is Eligible?

Customers meeting the following three criteria are eligible to receive service under Schedule ME:

- The connected load of a specific service account is engaged in container, stevedoring, or shipping activities (*e.g., lighting, office, oil extraction, and other general service are not eligible, nor are oil extraction activities*)
- Service account is located within the real property inside the City of Long Beach within or adjacent to the Harbor District, with the exception of Pier H.

For more information about the Schedule ME tariff and eligibility, please visit [sce.com/wps/portal/home/regulatory/tariff-books/rates-pricing-choices/other-rates](https://www.sce.com/wps/portal/home/regulatory/tariff-books/rates-pricing-choices/other-rates).

## What Are the Benefits Of the Rate Schedule ME?

Benefits vary based on a number of factors, including but not limited to service voltage, historical demand and usage, amount of new load, and any existing added facilities charges.

In general, the rate offers:

- A **Contribution to Margin (CTM)** discount for certain types of **New Load**
- Accounts Served at  $\leq 50$  kV and Below: Option to pay **Existing Load** at sub-transmission rates, plus **Imputed Added Facilities (IAF) amount** in lieu of the served voltage rates (i.e., secondary or primary)
- Accounts Served at  $> 50$  kV with Previously Existing Added Facilities Agreements\*: Option to pay **IAF amount** in lieu of existing **Added Facilities Agreements (AFA) charges**
- Under certain conditions, SCE will install and pay for 66 kV electric facilities.

### Important Terms:

- Existing Load vs. New Load
- Contribution To Margin (CTM)
- Imputed Added Facilities (IAF)

\* Only applicable to AFAs that include facilities used to step down the voltage to actual voltages are eligible for this option.

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## Existing Load vs New Load

Existing Load, also known as Base Period Usage (BPU), is the installed service's average usage, demand, and kVAR by season and TOU period for the 24 months immediately preceding the effective date of the rate (April 14, 2014).

New Load is any usage, demand, and kVAR exceeding the BPU.

### Example

|                                |                                     |                |             |
|--------------------------------|-------------------------------------|----------------|-------------|
| Monthly Maximum Metered Demand | <b>3 MW billed as New Load</b>      | Winter FRD BPU | <b>1 MW</b> |
|                                | <b>1 MW billed as Existing Load</b> |                | <b>1 MW</b> |

Specific BPU tariff provisions apply for customers with <12 months of usage data, including the provision that all load is considered New Load for customers with <8 months of usage data (i.e., BPU is set at zero).

## Contribution to Margin (CTM)

Calculated each monthly billing period, and only applicable to New Load, the CTM is the difference between your OAT bill (as defined in the tariff) for New Load and the Marginal Cost of Service for the New Load of Maritime Entities. When the CTM is positive, a discount of 50% of the CTM is applied to your bill.

### CTM Discount Example

| Positive CTM Scenario                 |             | Negative CTM Scenario         |              |
|---------------------------------------|-------------|-------------------------------|--------------|
| OAT Bill                              | \$100       | OAT Bill                      | \$100        |
| Marginal Cost                         | \$80        | Marginal Cost                 | \$110        |
| Monthly CTM (\$100 - \$80)            | \$20        | Monthly CTM (\$100 - \$110)   | \$10         |
| 50% CTM Discount (\$20 * \$50)        | \$10        | No Discount                   | \$0          |
| <b>Discounted Bill (\$100 - \$10)</b> | <b>\$90</b> | <b>Customer Pays OAT Bill</b> | <b>\$100</b> |

## Imputed Added Facilities (IAF)

The IAF amount is calculated by multiplying the monthly metered demand by the IAF charge (\$2.84).

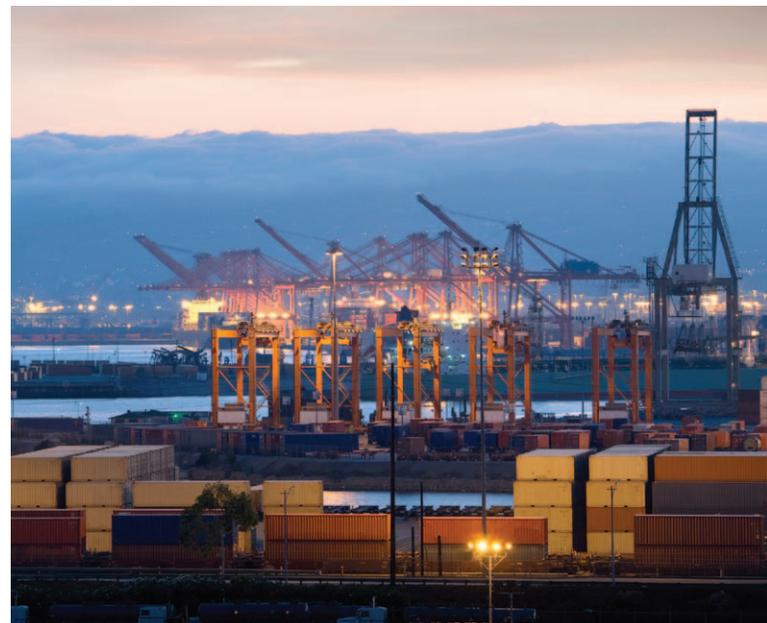
### How Is the Imputed Added Facilities Calculated?

$\$2.84 \times \text{Metered kW per month}$

### Example IAF Option Calculation for a Category B Account

|                |            |                                        |                 |
|----------------|------------|----------------------------------------|-----------------|
| BPU kW         | <b>300</b> | <b>Existing AFA = \$2000 per month</b> |                 |
| Customer pays: |            |                                        | <b>Savings:</b> |
| Monthly kW     | <b>200</b> | <b>IAF = \$2.84 x 200 = \$568</b>      | <b>\$1432</b>   |
| Monthly kW     | <b>500</b> | <b>IAF = \$2.84 x 300 = \$851</b>      | <b>\$1148</b>   |

For >50kV customers that elect to have their existing AFAs billed based on the IAF charge, the IAF amount is capped at the seasonal FRD BPU — meaning these customers will never pay more than  $\$2.84/\text{kW} \times \text{the seasonal FRD BPU}$ .





## Business Rate Basics

# Rate Schedule ME for Maritime Entities

### Accounts $\leq 50$ kV, Existing & New Load

**Existing Load (i.e., BPU):** Your account is billed the lower of

- Your served voltage rates

OR

- The sub-transmission voltage rates of your OAT + the IAF amount

**New Load:** You have the option to elect to pay either

- Your served voltage rates

OR

- The sub-transmission voltage rates of your OAT + the IAF amount
- ✓ The default option for New Load is sub-transmission voltage rates + IAF
- ✓ Customers may change their New Load rate election after 12 months (Rule 12)
- ✓ NOT eligible to pay IAF option in lieu of existing Added Facilities Agreement charges (i.e., no changes to existing AFAs)

### Accounts $> 50$ kV, Existing Load (i.e., BPU)

There are no changes to your energy bill.

If you have accounts that have associated existing Added Facilities Agreements (AFA) for facilities used to step down voltage, you have the following options:

- **No Change Option:** Continue to pay existing AFA charges
- Pay the **IAF Option** in lieu of existing AFA charges
- ✓ Change is effective on a going-forward basis and continues for the remainder of the AFA contract term
- ✓ If you elect to be removed from Schedule ME, you will continue to be billed the IAF amount ( $\$2.84/\text{kW} \times$  the lower of either the metered demand or the seasonal FRD BPU demand)
- ✓ IAF option must be chosen no later than December 14, 2014

### Accounts $> 50$ kV, New Load

- Applies to all usage, demand, and kVAR that exceeds the BPU, per billing period
- You will continue to be billed at sub-transmission rates with a CTM discount, if applicable

## Frequently Asked Questions

### **I have a facility within the Port boundaries. Why can't my account be on the ME rate?**

Schedule ME is only for accounts with load associated with **container, stevedoring, and shipping** activities.

### **Will my Base Period Usage (BPU) ever change? Is the IAF Charge of \$2.84/kW fixed?**

Your BPU is meant to remain fixed, but may be adjusted under certain circumstances based on written agreement between you and SCE. The IAF Charge of  $\$2.84/\text{kW}$  is fixed.

### **How do I enroll in schedule ME?**

Contact your SCE Account Manager. You will need to make certain elections and sign Form 14-945, which will be provided to you by your account manager. Form 14-945 will include the calculated BPU for each of your eligible accounts.

To learn more about Schedule ME, please contact your SCE Account Manager, visit [sce.com](http://sce.com), or call **1-800-990-7788**.

This rate sheet is meant to be an aid to understanding SCE's Rate Schedule ME. It does not replace pricing information contained in the CPUC-approved tariffs. Please refer to the tariffs for a complete list of terms and conditions of service, which can be viewed online at [sce.com/regulatory](http://sce.com/regulatory).

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