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Exhibit No.: SCE-03 (Updated)
Witnesses: R. Pardo
R. Thomas



(U 338-E)

***Phase 2 of 2012 General Rate Case
Revenue Allocation Proposals***

Before the
Public Utilities Commission of the State of California

Rosemead, California
October 7, 2011

SCE-03 Revenue Allocation Proposals

Table Of Contents

Section	Page	Witness
I. REVENUE ALLOCATION	3	R. Pardo
A. Introduction and Summary	3	
B. Unbundled Revenue Requirements.....	7	
C. Proposed Revenue Allocation.....	8	
1. Present Rate Revenues	8	
2. Allocation of FERC-Jurisdictional Transmission Revenue Requirement.....	8	
3. Allocation of CPUC-Jurisdictional Generation and Distribution Revenue Requirements	9	
a) Generation.....	9	
b) DA CRS Adjustment.....	11	R. Thomas
c) Distribution	13	R. Pardo
4. Changes in Definition of Rate Groups.....	15	
5. Development of Large Power Standby Rate Groups.....	16	
6. Treatment of Interruptible Credits and Dynamic Pricing Program Imbalances	16	
7. Non-Allocated Revenues	18	
8. Allocation of the CARE Discount	19	
9. Allocation of Nuclear Decommissioning and Public Purpose Program Revenue Requirements.....	20	
10. Allocation of Conservation Incentive Adjustment	21	
D. Final Revenue Allocation	22	
Appendix A: Summary of Revenue Allocators		

SCE-03 Revenue Allocation Proposals

List Of Tables

Table	Page
Table I-1 Proposed System Retail Revenue Allocation (\$ Millions)	5
Table I-2 Retail Generation Services – Revenue Allocation (\$ Millions).....	13
Table I-3 Proposed System Retail Delivery Services – Revenue Allocation (\$ Millions).....	15
Table I-4 Retail Distribution Services – Revenue Allocation (Adjusted) (\$ Millions)	20
Table I-5 Retail Public Purpose Services – Revenue Allocation (Adjusted) (\$ Millions)	22
Table I-6 Proposed Bundled Service – Revenue Allocation (\$ Millions)	23
Table I-7 Proposed Bundled Service – Average Rates By Rate Group (¢/kWh)	25

1 I.

2 **REVENUE ALLOCATION**

3 **A. Introduction and Summary**

4 This exhibit describes the allocation of Southern California Edison Company's (SCE)
5 total system revenue requirement to individual rate groups. SCE allocates the unbundled
6 revenue requirements for generation, transmission, distribution, nuclear decommissioning (NDC)
7 and public purpose programs (PPP) to rate groups based either on established principles or
8 proposals that are discussed in this testimony.

9 Consistent with its proposal in Phase 2 of its 2009 General Rate Case (GRC), SCE
10 allocates revenue requirements for delivery services to all retail customers, *i.e.*, bundled-service
11 and direct access (DA) customers, because these services are provided to all customers.¹ For
12 purposes of comparing proposed revenues with those produced under current rates, SCE divides
13 delivery service revenues between bundled-service and DA customers based on forecasted
14 billing determinants. The combined revenue requirement for SCE Generation and Department of
15 Water Resources (DWR) power is allocated to rate groups for recovery from bundled-service
16 customers only, after adjusting for forecasted contributions from DA customers through the cost
17 responsibility surcharges (CRS).

18 The rates presented in this testimony illustrate the effect of SCE's marginal cost, revenue
19 allocation, and rate design proposals applied to 2012 present rate revenues, which are derived by
20 applying June 2011 rates to the forecasted 2012 billing determinants. When rates are
21 implemented based on the Commission's decision in this proceeding, they must ultimately
22 reflect SCE's then-current, authorized revenue requirements. While the currently-authorized
23 DWR generation revenue requirement is now included in SCE's generation revenue
24 requirements, DWR generation revenues should no longer be reflected in SCE's total revenue

¹ Delivery Service revenue requirements include Transmission and Distribution as well as Nuclear Decommissioning, Public Purpose Programs, and the New System Generation Charge (NSGC).

1 requirement when revised rates are implemented in October 2012, as DWR contracts allocated to
2 SCE will have expired by January 1, 2012. Contributions by DA customers to the generation
3 revenue requirement will be a function of the individual CRS components authorized in SCE's
4 annual ERRA forecast proceedings. The DA-CRS revenues reflected in the present rate revenue
5 calculation represent a weighted average of 2001, 2009 and 2010 vintage years based on SCE's
6 current DA participation levels. Sales and revenue requirements associated with each vintage
7 year are expected to change as the limited reopening of direct access, pursuant to Senate Bill
8 (SB) 695.

9 The generation revenue requirements allocated to each rate group are combined with
10 bundled-service delivery revenues and DWR Bond Charge revenue requirements to derive total
11 rate group revenue requirements and to establish class average rates for bundled-service under
12 SCE's revenue allocation proposal. Delivery Service revenue requirements for DA customers
13 are combined with their CRS obligations² to produce total revenue requirements by rate groups
14 and to establish proposed class average rates for DA service.

15 SCE proposes to allocate its CPUC-jurisdictional revenue requirements for distribution
16 and generation services based on the marginal costs developed in Exhibit SCE-2. Rate designs
17 reflecting the revenue requirement allocated to each rate group and SCE's forecast of billing
18 determinants for 2012 are discussed in Exhibit SCE-4 for both delivery and generation services.

19 Agricultural and pumping customers with demands less than 200 kilowatts (kW),
20 including the PA-1 and PA-2 rate groups, have been combined into a single TOU-PA-2 rate
21 group. In addition, any TOU-AG or TOU-PA-5 customers with demands less than 200 kW are
22 also included in the TOU-PA-2 rate group. TOU-AG and TOU-PA-5 agricultural and pumping
23 customers with demands between 200 kW and 499 kW have been combined into a single TOU-
24 PA-3 rate group. SCE is also proposing to separate large (> 500 kW demands) commercial and

² The DA CRS obligation has been adjusted to account for the expected level of DA Undercollection revenue recovery by October 2012.

1 industrial (C&I) standby customers into three new voltage-differentiated rate groups separate
 2 from the three TOU-8 voltage-differentiated rate groups, as discussed in Exhibit SCE-4. Large
 3 C&I customers would remain in their respective TOU-8 rate groups.

4 Table I-1 presents SCE's proposed 2012 retail system revenue requirement by revenue
 5 component, prior to the adjustments to revenue allocation described in Section D.

Table I-1
Proposed System Retail Revenue Allocation
 (\$ Millions)

	Trans.	Dist.	Gen.	NDC	PPP	DWR Bond	Retail Total
Total Domestic	\$ 220.2	\$ 1,952.7	\$ 2,183.0	\$ 2.5	\$ 268.2	\$ 103.9	\$ 4,730.5
GS-1	41.2	276.3	346.0	0.4	50.1	24.9	738.8
TC-1	0.3	5.5	3.9	0.0	0.6	0.3	10.7
GS-2	133.7	799.2	1,061.4	1.5	146.6	82.7	2,225.2
TOU-GS-3	63.5	325.2	468.6	0.8	66.3	43.5	967.9
Total LSMP	238.8	1,406.2	1,879.9	2.7	263.6	151.5	3,942.6
TOU-8-Sec	61.1	268.2	479.1	0.8	66.2	44.9	920.3
TOU-8-Pri	34.5	150.3	275.3	0.5	39.3	29.2	529.2
TOU-8-Sub	30.0	48.3	227.4	0.5	27.7	30.7	364.6
Total Large Power	125.5	466.8	981.9	1.9	133.2	104.9	1,814.1
TOU-PA-2	11.0	75.3	121.6	0.2	14.8	9.7	232.6
TOU-PA-3	6.2	34.9	76.2	0.1	7.9	6.6	131.9
Total Ag.&Pumping	17.2	110.2	197.9	0.3	22.7	16.3	364.5
Total Street Lighting	2.6	104.3	31.7	0.1	7.3	3.8	149.9
STANDBY/SEC	1.5	7.3	12.9	0.0	1.6	1.2	24.4
STANDBY/PRI	4.3	23.8	38.1	0.1	5.0	3.7	75.0
STANDBY/SUB	10.0	15.1	90.3	0.2	9.3	9.7	134.6
Total Standby	15.8	46.2	141.3	0.3	15.9	14.5	234.0
Total System	\$620.0	\$4,086.4	\$5,415.6	\$7.7	\$711.0	\$394.8	\$11,235.6

6 Delivery services revenue requirements (consisting of transmission, distribution, NDC
 7 and PPP revenues) are allocated to all retail customers, both bundled-service and DA. However,
 8 SCE and DWR Generation revenue requirements are adjusted by the Competition Transition
 9 Charge (CTC) and Power Charge Indifference Amount (PCIA), recovered from DA customers,
 10 before generation revenues are allocated to bundled-service customers. Tables I-2 and I-3,
 11 below, address Delivery Service and Generation revenue requirements separately in order to

1 illustrate functional level revenue requirements. This allows a comparison of SCE's June 2011
2 and proposed GRC rates for both bundled-service and DA customers.

3 In Decision (D.)99-10-057, the Commission explicitly deferred authority over the
4 revenue requirement, cost allocation and rate design for transmission services to the Federal
5 Energy Regulatory Commission (FERC). SCE's proposals include the revenue requirement and
6 rate design approved by FERC on February 14, 2011, in Docket Number ER11-1952-000, and
7 the Settlement approved on February 11, 2011 in SCE's' Transmission rate case filing in FERC
8 Docket Number ER09-1534-000. Multiplying SCE's FERC transmission rates (including those
9 reflected in the Transmission Owners Tariff Charge Adjustments (TOTCA))³ by forecasted 2012
10 billing determinants produces the transmission revenues shown in all revenue allocation tables,
11 which are included for purposes of determining total revenue requirements, by rate group.

12 Estimated unbundled revenue requirements for generation and distribution are allocated
13 to retail rate groups based on marginal costs developed in Exhibit SCE-2. Unbundled Nuclear
14 Decommission Charge (NDC) and Public Purpose Programs Charge (PPPC) revenue
15 requirements are allocated based on methods adopted in prior proceedings, including those
16 adopted in D.00-06-034.

17 SCE is currently participating in other Commission proceedings related to Demand
18 Response (DR) programs, Dynamic Pricing, and Direct Access. The possible impact of these
19 proceedings on SCE's revenue requirement and allocation proposals is discussed in Section C,
20 below. SCE proposes to incorporate any authorized changes in revenue requirement or rate
21 design resulting from other proceedings when implementing the final Commission decision in
22 this proceeding.

³ TOTCA rate components are updated annually. Reliability Services Balancing Account Adjustment (RSBAA) and Transmission Revenue Balancing Account Adjustment (TRBAA) components became effective January 1, 2011. The current Transmission Access Charge Balancing Account Adjustment (TACBAA) component became effective March 1, 2011.

1 **B. Unbundled Revenue Requirements**

2 In order to develop SCE's proposed 2012 GRC rates and rate structures, SCE proposes a
3 2012 total system revenue requirement that consists of the following components:

- 4 (a) SCE Generation;
- 5 (b) DWR Generation;
- 6 (c) FERC-jurisdictional Transmission;
- 7 (d) Distribution;
- 8 (e) California Solar Initiative CSI;
- 9 (f) Public Purpose Programs (PPP);
- 10 (g) Nuclear Decommission (NDC);
- 11 (h) DWR Bond Charge (BC): and
- 12 (i) New System Generation Charge (NSGC).

13 In addition to the allocated revenues, the distribution and PPP rates shown in SCE's
14 tariffs include credits and surcharges related to specific programs. For example, the discount for
15 residential customers served on the tariff for the California Alternate Rates for Energy (CARE)
16 program is reflected in the distribution revenue component for the Domestic rate group while the
17 CARE surcharge, which recovers the resulting distribution revenue deficiency, is recovered
18 through the PPP revenue component. This results in the allocation of a distribution revenue
19 deficiency of roughly \$294 million in CARE discounts, to other non-CARE residential
20 customers and to other rate groups.⁴ Similarly, the cost of credits provided to customers who
21 choose non-firm service or participate in other reliability programs are recovered from all
22 customers, which modifies distribution revenue from that allocated based on marginal cost. The
23 impact of this reallocation of distribution revenue is shown in detail in the following sections.

⁴ CARE surcharge revenue is allocated to all non-CARE customers, including non-CARE Domestic customers, with the exception of Street and Area Lighting customers.

1 **C. Proposed Revenue Allocation**

2 In the revenue allocation process, unbundled revenue requirements are allocated to rate
3 groups. This section describes SCE’s revenue allocation proposal for the following CPUC-
4 jurisdictional costs: generation, distribution, NDC, PPP and NSGC. This unbundling of costs is
5 necessary in order to bill customers for the services they obtain from SCE and continues the
6 approach previously adopted by the Commission. SCE proposes to allocate CPUC-jurisdictional
7 generation and distribution costs based on system marginal cost revenues, using the unit
8 marginal costs developed in Exhibit SCE-2. All other cost components are allocated based on
9 methods approved in prior Commission decisions.

10 **1. Present Rate Revenues**

11 The development of present rate revenues (PRRs) by rate group is an important
12 step in the revenue allocation process and in evaluating the revenue allocation results. SCE has
13 developed separate forecasts of PRRs for bundled-service and DA customers, as different
14 charges apply to these customers based on the services provided to them. PRRs are based on
15 forecasted 2012 sales and June 2011 (“current”) rates. SCE utilizes the forecast of PRRs for
16 2012 to compare current rates to proposed rate group average rates in Table I-7 in Section D of
17 this exhibit, and for development of the System Average Percentage (SAP) allocator.

18 **2. Allocation of FERC-Jurisdictional Transmission Revenue Requirement**

19 For illustrative purposes, SCE derives the total system transmission revenue
20 requirement to include Construction Work In Progress (CWIP), as well as the rate group
21 transmission revenues, by multiplying SCE’s FERC-jurisdictional transmission rates, as filed in
22 FERC Docket’s ER09-1534-000 and ER11-1952-000, by the 2012 forecast retail billing
23 determinants. In addition, currently-effective FERC-jurisdictional rates for recovery of the
24 Transmission Revenue Balancing Account Adjustment (TRBAA), Reliability Services Balancing
25 Account Adjustment (RSBAA), and Transmission Access Charge Balancing Account
26 Adjustment (TACBAA) are used to determine the total transmission revenue requirement. The

1 individual transmission rate components will be added to the CPUC-jurisdictional distribution,
2 NDC, PPC and NSGC rates adopted in this proceeding to determine SCE's total delivery
3 service rates.

4 **3. Allocation of CPUC-Jurisdictional Generation and Distribution Revenue**
5 **Requirements**

6 Generation and distribution revenue requirements are allocated separately by rate
7 group based on generation and distribution marginal cost revenues, respectively, which are
8 developed consistent with the marginal cost principles described in Exhibit SCE-2. Because
9 FERC determines transmission revenues and rates, distribution is the sole CPUC-jurisdictional
10 delivery service. SCE proposes to continue allocating the remaining CPUC-jurisdictional
11 revenue components on a functional marginal cost basis, consistent with the methodology
12 employed in the revenue allocation settlement that was adopted by D.09-08-028.

13 a) **Generation**

14 The generation revenue requirement that is allocated to the rate groups is
15 comprised of three components: (1) base generation costs as defined by SCE in Phase 1 of SCE's
16 2012 GRC, (2) Fuel and Purchased Power (F&PP) expenses determined in the ERRA
17 proceeding, and (3) the DWR power charge revenue requirement.

18 Base generation costs consist of CPCU-jurisdictional generation Operation
19 & Maintenance (O&M), Administrative & General (A&G), depreciation, return, and taxes. Fuel
20 costs as well as SCE's Qualifying Facilities (QF) contract costs, inter-utility and bilateral
21 contract costs, and other procurement-related costs are included in the Fuel and Purchased Power
22 category. The DWR revenue requirement is combined with the other generation-related revenue
23 requirements for revenue allocation and rate design purposes. In this application, SCE only
24 includes the impact of changes associated with distribution and generation marginal costs and
25 updated sales forecast. The revenue requirement is the forecast of rate revenues derived by
26 multiplying June 2011 rates by the 2012 sales forecast and does not reflect any projected changes

1 in authorized revenue requirement resulting from other applications. While the currently-
2 authorized DWR generation revenue requirement is now included in SCE's generation revenue
3 requirements, DWR generation revenues should no longer be reflected in SCE's total revenue
4 requirement when revised rates are implemented in October 2012, as DWR contracts allocated to
5 SCE will have expired by January 1, 2012. The DWR revenue requirement allocated to SCE is
6 recovered from both bundled-service and DA customers, but will be established in other
7 proceedings. For illustrative purposes, the DWR revenue requirement forecast to be recovered
8 from SCE's customers is \$621 million based on forecasted 2012 sales, the DWR power charge
9 for bundled-service customers adopted by the Commission in D.10-12-006 and an estimate of the
10 Power Charge Indifference Amount (PCIA)⁵ component of the Direct Access Cost
11 Responsibility Surcharge (DA CRS).

12 SCE's combined generation revenue requirement (the sum of Base
13 Generation, F&PP expense and DWR revenue requirements) is allocated for recovery from
14 bundled-service customers in each rate group based on marginal generation costs, after first
15 being adjusted for expected revenue recovery from DA customers. SCE is authorized to recover
16 stranded URG costs (Competition Transition Charge or CTC) from DA customers through the
17 DA CRS. CTC revenues are returned directly to bundled-service customers through a reduction
18 in SCE generation rates.

19 Remaining generation revenues are allocated to bundled-service rate
20 groups on the basis of each rate group's percent contribution to system marginal generation cost
21 revenues. As explained above, SCE is proposing to allocate its generation revenue requirement
22 using functional marginal generation costs. The unit marginal costs of generation, developed in
23 Exhibit SCE-2, are multiplied by the appropriate bundled-service cost drivers to produce
24 marginal generation cost revenues by rate group. These marginal cost revenues are then

⁵ The PCIA replaced the DWR Power component of the CRS in pursuant to D.06-07-030, and is allocated on the basis of Top 100 Hours.

1 summed, by rate group, and the ratio of each rate group's marginal generation cost revenues to
2 the system total produces the generation cost allocator. Because generation revenues, after
3 adjustment for DA CRS revenue recovery, are to be recovered from bundled-service customers
4 only, SCE develops marginal generation cost revenues based on cost drivers reflecting bundled-
5 service customers' usage characteristics within each rate group. Bundled service generation
6 revenues are then assigned to rate groups by multiplying this revenue requirement by the
7 generation marginal cost factors. Total retail generation revenue requirements are separated
8 between bundled service and DA as described above and shown in Table I-2. The development
9 of the bundled-service generation marginal cost revenue requirement and allocation factors are
10 shown in workpapers and are summarized in Appendix A to this exhibit.

11 b) DA CRS Adjustment

12 The revenue levels shown in Table I-1 reflect full cost responsibility for
13 bundled-service customers, and assume that the DA CRS is set at the full-cost level for recovery
14 from DA customers. In D.06-07-030 the Commission resolved all remaining issues concerning
15 past and future cost responsibility for DA customers.

16 Prior to January 1, 2006, the full cost responsibility of DA customers
17 exceeded the Commission authorized cap of 2.7¢/kWh. This created a revenue deficiency that
18 was then allocated for recovery to bundled-service customers, for repayment in later years by
19 DA customers. In D.06-07-030, the Commission authorized, among other things, a full-cost
20 CRS for DA customers for 2006 which, for the first time, fell below the 2.7 ¢/kWh cap. With
21 the capped CRS continuing to be applied to DA customers, the resulting positive differential
22 between full cost CRS and the cap began providing revenue, through a residual component
23 known as the "undercollection charge" or "UC", which is in turn returned to bundled-service
24 customers. This revenue represented the repayment of the CRS "loan" by DA customers. It is
25 returned to bundled-service customers as a reduction in allocated generation revenue in the same
26 manner that the revenue deficiency described above was originally allocated.

1 Prior to 2006, SCE assigned the deficiency resulting from the DA CRS
2 cap to “small” and “large” customer groups based on these groups’ contributions to the total
3 deficiency. Pursuant to D.03-07-030, CRS deficiencies and recovery through UC were tracked
4 for the core (“small”) and non-core (“large”) customer groups. Based strictly on average
5 customer size, this segmentation defines a grouping of “small” customers which includes the
6 Domestic, GS-1, TC-1, PA-1 and Street Lighting rate groups, with the remaining commercial,
7 industrial and agricultural rate groups making up the “large” customer group.⁶ This grouping
8 generally follows the definition of small commercial customers at less than 20 kW of demand
9 utilized in AB 1890 and frequently referenced in discussions of “core” and “non-core”
10 segmentation. SCE modified this approach somewhat, in that the entire Agricultural and
11 Pumping customer class (consisting of the PA-1, PA-2, AG-TOU and TOU-PA-5 rate groups) is
12 included in the “small” classification. While some customers in these rate groups may have
13 demands significantly greater than 20 kW, these rate groups have DA participation levels more
14 consistent with the other “small” rate groups than do the larger C&I rate groups.

15 The large DA customer groups’ under-collection amount was fully
16 recovered in 2009. At that time, the UC component for these groups was set to zero and the CRS
17 is now defined on a full cost basis. SCE estimates that the capped CRS and UC will continue to
18 apply to the small DA customer groups until late 2012. UC revenues recovered from these
19 customers will continue to be returned to bundled customers in the same groups through reduced
20 generation rates.

21 The allocation of the generation revenue requirement, including the
22 revenue adjustments attributable to DA customers described above, is shown in Table I-2. The
23 portion of SB 695 implemented pursuant to D.10-03-022, reopened DA service for
24 nonresidential customers. New DA customers are assigned a vintaged CRS, reflecting cost

⁶ For purposes of allocating the DA CRS deficiency, the “Large” customer group consists of the GS-2, TOU-GS-2 (now TOU-GS-3) and TOU-8 rate groups.

responsibility applicable to the timing of their departure from bundled service, pursuant to D.08-09-012. As noted above, the CRS revenues included in this proposal reflect the weighted average CRS revenue from 2001, 2009 and 2010 vintage DA customers. As this proceeding develops, SCE will be able to better forecast additional DA load resulting from the reopening of DA service and will be able to estimate additional CRS revenue to be offset against bundled-service generation revenues.

Table I-2
Retail Generation Services – Revenue Allocation
(*\$ Millions*)

	Preliminary Retail Total	Allocated Generation Revenue			DA CTC/PCIA
		SCE Bundled Generation	DWR Bundled Generation	DA Generation Contribution	
Total Domestic	\$ 2,183.0	\$ 2,012.7	\$ 234.4	\$ (65.7)	\$ 1.6
GS-1	346.0	314.2	40.5	(10.4)	1.7
TC-1	3.9	3.4	0.6	(0.1)	0.1
GS-2	1,061.4	935.2	123.6	(31.0)	33.5
TOU-GS-3	468.6	402.9	53.2	(13.3)	25.8
Total LSMP	1,879.9	1,655.8	217.8	(54.8)	61.1
TOU-8-SEC	479.1	402.5	55.5	(13.4)	34.6
TOU-8-PRI	275.3	226.1	33.2	(7.6)	23.7
TOU-8-SUB	227.4	178.7	28.8	(6.1)	26.0
Total Large Power	981.9	807.2	117.4	(27.0)	84.2
TOU-PA-2	121.6	107.2	15.5	(3.6)	2.5
TOU-PA-3	76.2	65.6	10.4	(2.2)	2.5
Total Ag.&Pumping	197.9	172.7	25.9	(5.8)	5.0
Total Street Lighting	31.7	26.0	6.1	(0.9)	0.6
Standby-SEC	12.9	11.0	1.6	(0.4)	0.7
Standby-PRI	38.1	32.6	5.0	(1.1)	1.7
Standby-SUB	90.3	76.4	13.0	(2.6)	3.5
Total Standby	141.3	119.9	19.6	(4.1)	5.9
Total System	\$5,415.6	\$4,794.3	\$621.2	(\$158.4)	\$158.4

c) Distribution

The distribution revenue requirement is allocated to rate groups based on distribution marginal cost revenues. Because all retail customers, bundled service and DA alike,

1 utilize SCE's distribution services, the distribution revenue requirement is allocated based on
2 distribution marginal cost revenues which reflect total retail load on the distribution system.
3 Distribution revenue requirements which are directly assigned to particular rate groups, referred
4 to as non-allocated revenues, are removed prior to allocation. Examples of non-allocated
5 distribution revenues include revenues associated with the recovery of power factor costs and
6 Street Lighting facilities costs. The resulting distribution revenue is then allocated to all rate
7 groups in the same manner as generation revenues, however utilizing the distribution cost
8 allocator described below. The unit marginal costs of distribution, developed in Exhibit SCE-2,
9 are multiplied by the appropriate cost drivers to produce marginal distribution cost revenues by
10 rate group. These marginal cost revenues are then summed, by rate group, and the ratio of each
11 rate group's marginal distribution cost revenues to the system total produces the distribution cost
12 allocator. Multiplying these allocation factors by the distribution revenue requirement produces
13 Distribution revenue requirement by rate group. Non-allocated revenues are then assigned to the
14 appropriate rate groups.

15 SCE includes California Solar Initiative (CSI) program costs in
16 distribution revenue requirements for all non-CARE and non-FERA usage, including usage up to
17 130 percent of baseline quantities. Consistent with methodology in D.09-08-028, SCE first
18 allocates the authorized CSI revenue requirement by rate group based on each rate group's
19 proportion of system average percent change (SAPC) revenues, excluding CARE and FERA
20 customers, and streetlight facilities. Allocating the CSI costs based on SAPC revenues which
21 exclude CARE, FERA, and streetlight facilities will spread the cost of the statutory exemption
22 for these customers across all rate groups, as opposed to maintaining the cost of the exemption
23 within the residential rate group. This treatment is consistent with the methodology adopted by
24 the Commission in Pacific Gas and Electric Company's (PG&E) General Rate Case (GRC) in
25 D.07-09-004.⁷

⁷ See Advice Letter 2212-E, filed February 1, 2008 for a full discussion of CSI funding allocation.

Retail delivery services revenues, including a proposed allocation of distribution revenues as described above are shown in Table I-3 below. The development of the retail service distribution marginal cost revenue requirement and allocation factors is shown in workpapers and summarized in Appendix A to this exhibit.

Table I-3
Proposed System Retail Delivery Services – Revenue Allocation
(\$ Millions)

	Tran.	Dist.	NDC	PPP	DWR BC	Retail Total
Total Domestic	\$ 220.2	\$ 1,952.7	\$ 2.5	\$ 268.2	\$ 103.9	\$ 2,547.5
GS-1	41.2	276.3	0.4	50.1	24.9	392.9
TC-1	0.3	5.5	0.0	0.6	0.3	6.8
GS-2	133.7	799.2	1.5	146.6	82.7	1,163.8
TOU-GS-3	63.5	325.2	0.8	66.3	43.5	499.3
Total LSMP	238.8	1,406.2	2.7	263.6	151.5	2,062.8
TOU-8-Sec	61.1	268.2	0.8	66.2	44.9	441.2
TOU-8-Pri	34.5	150.3	0.5	39.3	29.2	253.9
TOU-8-Sub	30.0	48.3	0.5	27.7	30.7	137.2
Total Large Power	125.5	466.8	1.9	133.2	104.9	832.3
TOU-PA-2	11.0	75.3	0.2	14.8	9.7	111.0
TOU-PA-3	6.2	34.9	0.1	7.9	6.6	55.7
Total Ag.&Pumping	17.2	110.2	0.3	22.7	16.3	166.6
Total Street Lighting	2.6	104.3	0.1	7.3	3.8	118.2
STANDBY/SEC	1.5	7.3	0.0	1.6	1.2	11.5
STANDBY/PRI	4.3	23.8	0.1	5.0	3.7	36.8
STANDBY/SUB	10.0	15.1	0.2	9.3	9.7	44.3
Total Standby	15.8	46.2	0.3	15.9	14.5	92.7
Total System	\$620.0	\$4,086.4	\$7.7	\$711.0	\$394.8	\$5,820.0

4. Changes in Definition of Rate Groups

The existing 13 major rate groups used for revenue allocation were first established in SCE's 1995 GRC. In Exhibit SCE-4, SCE proposes to redefine the current four agricultural and pumping rate groups and establish the two new rate groups, TOU-PA-2 and TOU-PA-3. Agricultural and pumping customers are currently split into four rate groups, two

1 for customers below 200 kW (Schedules PA-1 and PA-2) and two for customers 200 kW and
2 above (Schedules TOU-AG and TOU-PA-5). The two new agricultural and pumping rate groups
3 will be for customers with maximum demands below 200 kW (TOU-PA-2), and customers with
4 maximum demands equal to or greater than 200 kW (TOU-PA-3). The allocation of revenue to
5 these two new rate groups is based on cost and load studies conducted for the reclassified groups.
6 This entails directly assigning costs by calculating distribution and generation Marginal Cost
7 Revenue Responsibility (MCRR) for these new rate groups, similar to all other non-streetlight
8 rate groups, based on direct contribution to cost to serve. The details of the agricultural rate
9 design and why the rate groups are being redefined are discussed in Exhibit SCE-4.

10 **5. Development of Large Power Standby Rate Groups**

11 SCE currently calculates MCRR for thirteen rate groups,⁸ including the Large
12 Power (TOU-8) rate groups. In Exhibit SCE-4, SCE now proposes to directly calculate MCRR
13 for new Large Power Standby rate groups (TOU-8-SEC-S, TOU-8-PRI-S, and TOU-8-SUB-S)
14 to better reflect their cost of service. In previous GRCs, the cost to serve Large Power Standby
15 customers was assigned to their corresponding rate groups (TOU-8-SEC, TOU-8-PRI, and TOU-
16 8-SUB). SCE is now proposing to calculate MCRR and to directly assign costs to these new
17 Standby rate groups, just as it does for other rate groups with the exception of the Street Lighting
18 rate group. The standby customer rate group cost studies are discussed in Exhibit SCE-2, with
19 the details of standby rate design discussed in Exhibit SCE-4.

20 **6. Treatment of Interruptible Credits and Dynamic Pricing Program**

21 **Imbalances**

22 SCE currently offers several interruptible programs for Large Power, residential
23 and Agricultural & Pumping customers as well as Air Conditioner Cycling programs (AC
24 Cycling) schedules that allow SCE to cycle air conditioning units of participating residential and

⁸ Domestic, GS-1, GS-2, TC-1, TOU-GS-3, TOU-8-SEC, TOU-8-PRI, TOU-8-SUB, PA-1, PA-2, TOU-AG, TOU-PA-5, and Street Lights

1 commercial customers. The Interruptible and AC Cycling tariffs provide credits to participating
2 customers in return for the customers' obligation to curtail load when required by SCE or the
3 CAISO. These programs benefit all retail customers by providing additional generation capacity
4 during critical periods. Thus, the credits provided to program participants are allocated to and
5 recovered from all rate groups in distribution rates. By adjusting distribution rates in this way,
6 SCE ensures that all retail customers share in the cost as well as the benefit of load curtailment
7 programs.⁹ These authorized cost-based credits are allocated to rate groups based on the
8 marginal cost of generation methodology.¹⁰ Total allocated revenues, as described in prior
9 sections, are adjusted to reflect these credits and the corresponding surcharges for these
10 programs.

11 SCE also offers dynamic pricing rate options such as the Peak-Time Rebate
12 (PTR) program for residential customers and Critical Peak Pricing (CPP) rates for all other
13 customers. Both the PTR and CPP provide customers incentives to reduce load during critical
14 peak events. For the PTR program, customers receive credits when they reduce usage below an
15 average customer-specific reference level during a critical peak event. For the CPP program,
16 however, customers receive a significantly higher capacity-based energy charge during CPP
17 event periods in exchange for lower rates for non-event period usage or a credit applied to time-
18 related demand charges. Both programs can result in revenue imbalances.

19 SCE estimates that 80 percent of the total PTR credits result from random
20 customer load drops that would occur irrespective of the PTR program, and that only 20 percent
21 of the credits reward legitimate customer load drop driven by the program incentives.¹¹ Thus,

⁹ D.02-11-022, p. 130.

¹⁰ Because the cost of these programs are recovered from all retail customers, SCE allocates the revenue associated with program credits based on the marginal cost of generation revenue requirement for all retail sales.

¹¹ SCE applied its load research sample data to assumed PTR event days and compared bills defined to have no load change due to the PTR event, *i.e.*, random load variation, to bills calculated assuming that the PTR customer's response was consistent with customers' response reported in demand response literature. The credits driven by random load variation comprise 80 percent of the total estimated PTR credits.

1 SCE proposes to assign 80 percent of the estimated PTR credits associated with the random load
2 drop to the residential rate group. The remaining 20 percent of PTR credits will be allocated to
3 all customers through the Energy Resource Recovery Account (ERRA) balancing account. SCE
4 plans to refine this 80/20 split once it has direct experience with the PTR program. Actual
5 impacts of these future revenue allocations will depend upon customer response and the number
6 of PTR events.

7 Revenue deficiencies associated with the CPP program will retain their existing
8 treatment. Since the CPP programs are designed without revenue deficiency (unlike PTR), any
9 revenue deficiencies due to actual response by CPP customers should be recovered through the
10 ERRA balancing account. This is consistent with current treatment.

11 7. **Non-Allocated Revenues**

12 Whereas allocated distribution revenues are spread to all customer groups based
13 on distribution marginal cost, non-allocated revenues are assigned directly to particular rate
14 groups and are intended to recover the cost of equipment or services that are incurred solely for
15 the benefit of that rate group. Non-allocated revenues consist primarily of street lighting
16 facilities' costs and power factor adjustment revenues. SCE assigns these revenues directly to
17 the specific rate groups responsible for incurring the costs. As discussed in Exhibit SCE-4, in
18 order to mitigate the significant increases in facilities costs to Street Lighting customers, SCE is
19 proposing to cap the increase in facilities costs at 4.8 percent per year. The resulting revenue
20 deficiency, if any, associated with standard installations would be allocated to all other rate
21 groups as part of the distribution revenue requirement. Since SCE is using current rate revenues
22 as the forecast revenue requirement in this application, *i.e.*, no increase to distribution revenue
23 requirements, the rates shown in Appendix B reflect no street light facilities charge increase.
24 However, when increases to distribution revenue requirements are reflected in rates, SCE will
25 cap street light facilities' charge increases at 4.8 percent per year.

1 **8. Allocation of the CARE Discount**

2 Based on CARE rates approved in D.09-08-028, the CARE program currently
3 provides a 25.3 percent discount to participating low-income residential customers.¹² The
4 discounts are funded by a surcharge added to all non-participating customers' rates (excluding
5 Street and Area Lighting and CARE customers) and will continue as required by PU Code §382.
6 SCE proposes to apply the methodology adopted in D.06-06-067 to determine the ¢/kWh
7 discounts received by residential CARE customers, resulting in a deficiency of approximately
8 \$294 million when applied to forecasted 2012 CARE-eligible sales.¹³ As described previously,
9 the costs associated with the CARE discount are allocated to other rate groups based on each rate
10 group's percentage of total system kWh sales. The kWh sales associated with CARE and Street
11 Lighting customers are removed before the CARE surcharge is allocated to all other customers.

12 Allocated distribution revenues, adjusted to reflect treatment of Interruptible and
13 AC Cycling programs and CARE discounts, as well as the reallocation of cost-based street
14 lighting facilities costs, are shown in Table I-4.

¹² This amount represents the sum of the basic 20 percent discount; an additional discount associated with D-CARE being capped at Tier 3; and exemptions for DWR Bond charge and CSI program costs. The Commercial CARE program provides an equivalent discount to eligible customers served on Commercial tariff schedules.

¹³ The \$294 million reduction to distribution revenue requirement is offset by the recovery of an equivalent amount through the PPP charge (see Table I-6). SCE transfers this revenue to the distribution ratemaking account to ensure recovery of the authorized distribution revenue requirement.

Table I-4
Retail Distribution Services – Revenue Allocation (Adjusted)
(\$ Millions)

	Preliminary Retail Dist.	Allocated Dist.	Non- Allocated Dist.	Adjustments to Allocated Distribution Revenue					Retail Total
				Interruptibl e and APS Credits	Interruptibl e and APS Surcharges	CARE/DE Program Discount	Street Light Program Adjustment	Street Light Program Surcharge	
Total Domestic	\$ 1,952.7	\$ 1,952.7	\$ -	\$ (65.6)	\$ 58.0	\$ (298.0)		\$ 7.1	\$ 1,654.2
GS-1	276.3	276.3	-	(1.1)	9.2	(0.0)		1.0	285.3
TC-1	5.5	5.5	-	-	0.1	-		0.0	5.6
GS-2	799.2	799.2	-	(7.0)	29.7	(0.2)		2.9	824.6
TOU-GS-3	325.2	317.3	7.9	(7.4)	15.2	-		1.1	334.1
Total LSMP	<u>1,406.2</u>	<u>1,398.3</u>	<u>7.9</u>	<u>(15.6)</u>	<u>54.2</u>	<u>(0.3)</u>		<u>5.0</u>	<u>1,449.6</u>
TOU-8-Sec	268.2	261.1	7.1	(18.5)	15.2	-		0.9	265.8
TOU-8-Pri	150.3	145.9	4.4	(17.1)	9.3	-		0.5	143.0
TOU-8-Sub	48.3	46.1	2.2	(26.8)	8.9	-		0.1	30.6
Total Large Power	<u>466.8</u>	<u>453.0</u>	<u>13.8</u>	<u>(62.4)</u>	<u>33.4</u>			<u>1.6</u>	<u>439.4</u>
TOU-PA-2	75.3	75.2	0.1	(2.2)	3.2	-		0.3	76.6
TOU-PA-3	34.9	33.9	1.0	(1.7)	2.0	-		0.1	35.3
Total Ag.&Pumping	<u>110.2</u>	<u>109.1</u>	<u>1.1</u>	<u>(3.9)</u>	<u>5.3</u>			<u>0.4</u>	<u>111.9</u>
Total Street Lighting	<u>104.3</u>	<u>11.0</u>	<u>93.3</u>	<u>-</u>	<u>0.9</u>		<u>(14.2)</u>	<u>0.0</u>	<u>91.0</u>
STANDBY/SEC	7.3	7.0	0.2	(0.8)	0.4	-		0.0	6.9
STANDBY/PRI	23.8	23.1	0.6	(0.5)	1.2	-		0.1	24.5
STANDBY/SUB	15.1	13.4	1.8	(7.3)	2.8	-		0.0	10.7
Total Standby	<u>46.2</u>	<u>43.5</u>	<u>2.6</u>	<u>(8.6)</u>	<u>4.4</u>			<u>0.1</u>	<u>42.1</u>
Total System	<u>\$4,086.4</u>	<u>\$3,967.6</u>	<u>\$118.8</u>	<u>(\$156.1)</u>	<u>\$156.1</u>	<u>(\$298.3)</u>	<u>(\$14.2)</u>	<u>\$14.2</u>	<u>\$3,788.2</u>

9. Allocation of Nuclear Decommissioning and Public Purpose Program Revenue Requirements

Pursuant to D.00-06-034, the NDC revenue requirement is allocated, for recovery from all retail customers, to rate groups on an equal ¢/kWh basis.¹⁴ The Commission found that this allocation methodology, which is based on each rate group’s total energy consumption, furthers its policy of functionalizing costs.¹⁵ Allocated NDC revenues, by rate group, are shown in Table I-3.

¹⁴ D. 00-06-034, p. 61.

¹⁵ D. 00-06-034, p. 57.

1 SCE proposes to retain the current allocation methodology for Public Purpose
2 Program (PPP) revenue requirement, assigning these revenues to rate groups on a System
3 Average Percent (SAP) method, which allocates costs to rate groups in proportion to total system
4 revenues. Rate group level revenue, based on current rate levels, is divided by total system
5 revenues to develop the SAP allocation factors. The SAP allocation factors are multiplied by the
6 PPP revenue requirement, less the CARE Balancing Account balance, to determine the revenue
7 allocated to each rate group. Revenue deficiencies associated with the CARE program are
8 tracked in the CARE balancing account. These revenues are allocated separately from the other
9 PPP revenues in order to exclude CARE and Street Lighting customers from recovery of this
10 component. The CARE Balancing Account revenues are allocated to the other non-exempt rate
11 groups based on each group's share of total annual energy sales (excluding the exempt groups),
12 in the same manner used to develop going-forward CARE surcharges. In addition, pursuant to
13 D.99-06-058,¹⁶ SCE reflects the CARE surcharge in the PPP revenue component. Revised retail
14 PPP revenues are shown in Table I-5, below. The development of allocation factors for NDC
15 and PPP are shown in workpapers and summarized in Appendix A to this exhibit.

16 **10. Allocation of Conservation Incentive Adjustment**

17 The Commission approved the Conservation Incentive Adjustment (CIA) rate
18 component in D.09-08-028. The CIA restructured residential rates by moving the tiered rate
19 differential to the CIA component, which is reflected the delivery portion of the bill, and
20 removing the tiered differential from the generation rate. The CIA is designed to be revenue
21 neutral within the residential rate group. Any revenue imbalance produced by the CIA
22 component will be directly assigned and combined with the residential PPP charge.

¹⁶ D.99-06-058 adopted a Stipulation between ORA and SCE regarding allocation and recovery of the CARE surcharge in the PPPC.

Table I-5
Retail Public Purpose Services – Revenue Allocation (Adjusted)
(\$ Millions)

	Preliminary PPP Total	Adjustments to Allocated Public Purpose Revenue			Retail Total
		PPP Total	PPP CARE Balancing	CARE/DE Program Surcharge	
Total Domestic	\$ 268.2	\$ 249.4	\$ 18.9	\$ 79.2	\$ 347.4
GS-1	50.1	45.6	4.4	19.0	69.0
TC-1	0.6	0.6	0.1	0.3	0.9
GS-2	146.6	133.7	13.0	63.1	209.7
TOU-GS-3	66.3	60.4	5.9	33.2	99.5
Total LSMP	263.6	240.3	23.3	115.5	379.2
TOU-8-Sec	66.2	60.3	5.9	34.3	100.5
TOU-8-Pri	39.3	35.8	3.5	22.3	61.6
TOU-8-Sub	27.7	25.3	2.5	23.4	51.1
Total Large Power	133.2	121.5	11.8	80.0	213.2
TOU-PA-2	14.8	13.5	1.3	7.4	22.2
TOU-PA-3	7.9	7.2	0.7	5.0	12.9
Total Ag.&Pumping	22.7	20.7	2.0	12.4	35.1
Total Street Lighting	7.3	7.3	-	0.0	7.4
STANDBY/SEC	1.6	1.5	0.1	0.9	2.5
STANDBY/PRI	5.0	4.6	0.4	2.8	7.8
STANDBY/SUB	9.3	8.5	0.8	7.4	16.7
Total Standby	15.9	14.5	1.4	11.1	27.0
Total System	\$711.0	\$653.6	\$57.4	\$298.3	\$1,009.3

D. Final Revenue Allocation

Bundled-service customers' bills are composed of charges for delivery service, SCE generation and DWR power charges. Unbundled delivery service revenue requirements reflecting all adjustments described above for transmission, distribution, NDC, PPC, and NSGC are shown in Table I-6. These allocated revenue requirements are the basis for the proposed retail delivery service charges developed in Exhibit SCE-4. Delivery service revenues are allocated based on total retail sales, as these services are provided to both bundled-service and

1 DA customers. In order to develop a total bundled-service average rate, the revenue
 2 requirements shown are separated between bundled-service and DA service based on the
 3 forecasted billing determinants for each rate group.

4 Generation revenues, after adjustment for DA cost responsibility, are allocated to rate
 5 groups as described above based on bundled-service sales. Bundled service delivery revenues
 6 are combined with generation revenues, by rate group, to produce the total bundled-service
 7 revenue requirements shown below in Table I-6.

Table I-6
Proposed Bundled Service – Revenue Allocation
 (\$ Millions)

	Transmission	Distribution	Generation	DWR Bond	NDC	PPP	Preliminary Total
Total Domestic	\$ 219.5	\$ 1,649.7	\$ 2,181.4	\$ 103.5	\$ 2.5	\$ 346.5	\$ 4,503.1
GS-1	40.7	281.6	344.3	24.6	0.4	68.2	759.8
TC-1	0.3	5.4	3.8	0.3	0.0	0.9	10.8
GS-2	125.0	771.5	1,027.9	75.1	1.3	190.5	2,191.3
TOU-GS-3	50.9	264.4	442.8	32.3	0.6	73.9	864.8
Total LSMP	216.9	1,322.9	1,818.7	132.4	2.4	333.4	3,826.7
TOU-8-SEC	47.1	202.6	444.5	33.7	0.6	75.4	804.0
TOU-8-PRI	24.2	98.9	251.7	20.2	0.4	42.5	437.8
TOU-8-SUB	17.8	13.8	201.4	17.5	0.3	29.2	280.0
Total Large Power	89.1	315.4	897.6	71.4	1.3	147.1	1,521.8
TOU-PA-2	10.8	75.2	119.1	9.4	0.2	21.6	236.2
TOU-PA-3	6.1	34.4	73.8	6.3	0.1	12.4	133.1
Total Ag.&Pumping	16.8	109.6	192.9	15.8	0.3	34.0	369.3
Total Street Lighting	2.5	89.8	31.1	3.7	0.1	7.1	134.3
Standby-SEC	1.2	5.7	12.2	1.0	0.0	2.1	22.2
Standby-PRI	3.4	19.5	36.5	3.0	0.1	6.5	68.9
Standby-SUB	8.0	10.0	86.8	7.9	0.1	13.6	126.4
Total Standby	12.5	35.2	135.4	11.9	0.2	22.1	217.4
Total System	\$557.4	\$3,522.5	\$5,257.2	\$338.7	\$6.7	\$890.2	\$10,572.7

8 The revenue requirements utilized for purposes of this exhibit are based on SCE's present
 9 rate revenues, using June 2011 rates multiplied by SCE's 2012 GRC sales forecast and

1 appropriate billing determinants. SCE expects to file its 2012 ERRA forecast application in
2 August 2011 and will provide an updated revenue requirement later in this proceeding that will
3 incorporate the revised consolidated revenue requirements and will more accurately reflect rates
4 that SCE would expect to implement on or after October 1, 2012.

5 Dividing total allocated revenue requirements by forecast 2012 bundled-service sales
6 produces SCE's proposed class average rates for bundled service. These rates are displayed in
7 Table I-7 for comparison purposes with class average bundled-service rates derived from the
8 2012 present rate revenue analysis. In order to develop a total composite charge, incorporating
9 both SCE and DWR generation charges, for comparison to class average rates in effect today,
10 DWR is assumed to provide 21.02 percent of SCE's total power requirements. The current
11 average rates shown in Table I-7 reflect SCE's June 1, 2011 rates, incorporating the current
12 DWR revenue requirements and transmission balancing account adjustments. SCE's illustrative
13 total system revenue requirement, including assumptions regarding the DWR revenue
14 requirement and proportion of customers' power needs provided by DWR, results in a system
15 average decrease of -0.1 percent for bundled-service customers.

Table I-7
Proposed Bundled Service – Average Rates
By Rate Group (¢/kWh)

	June 2011 (¢/kWh)	% of SAR	Proposed (¢/kWh)	% of SAR	% Change
Total Domestic	15.6	110%	16.0	113%	2.3%
GS-1	17.0	120%	15.6	110%	-8.1%
TC-1	15.3	108%	16.2	114%	5.6%
GS-2	15.2	107%	14.8	104%	-2.8%
TOU-GS-3	13.2	93%	13.5	96%	2.6%
Total LSMP	15.0	106%	14.6	103%	-2.7%
TOU-8-Sec	12.4	88%	12.1	85%	-2.9%
TOU-8-Pri	11.2	79%	11.0	78%	-1.7%
TOU-8-Sub	7.1	50%	7.7	55%	8.9%
Total Large Power	10.8	76%	10.7	76%	-0.6%
TOU-PA-2	13.0	92%	12.7	90%	-2.3%
TOU-PA-3	10.2	72%	10.6	75%	4.4%
Total Ag.&Pumping	11.9	84%	11.9	84%	0.0%
Total Street Lighting	18.0	127%	18.3	130%	2.0%
STANDBY/SEC	11.5	81%	11.6	82%	0.3%
STANDBY/PRI	11.3	80%	11.5	81%	1.4%
STANDBY/SUB	8.1	57%	8.1	57%	0.1%
Total Standby	9.2	65%	9.3	65%	0.5%
Total System	14.2	100%	14.1	100%	-0.1%

1 Comparison of currently effective and proposed class average rates for bundled service
2 for the cost-based allocation shown in Table I-7 indicate average rate impacts ranging from -8.1
3 percent to 8.9 percent. The variation around the system average rate for individual rate groups is
4 primarily the result of the movement towards full cost-based allocation from current rates, and
5 the effect of full recovery of DA CRS undercollection obligation for medium and large power
6 rate groups. The average rate for the residential rate group would increase by 2.3 percent, and
7 the average rate for the GS-1 rate group would decrease by 8.1 percent. For residential
8 customers, the larger than average increase is a result of the capping of revenues assigned to

1 residential customers below their full EPMC level that was part of a settlement approved by
2 D.09-08-028, which now requires greater increases to reach full cost-based levels. The TOU-8
3 subtransmission rate group increase of 8.9 percent also reflects the impact of prior capping
4 implemented in 2009. The large increase shown in the higher load factor TOU-8
5 subtransmission rate group is primarily a result of three factors: increases in the relative cost of
6 off-peak energy; elimination of revenue allocation caps applied in D.09-08-028; and the separate
7 direct cost allocation to the relatively large Standby portion of this rate group. These results are
8 illustrative.

Appendix A

Summary of Revenue Allocators

Southern California Edison
2012 GRC Revenue Allocation
Summary of Revenue Allocators

	Marginal Cost Revenue Responsibility (MCCR)					Other Allocators		
	Distribution	Generation (Bundled Sales)	Generation Energy (Bundled Sales)	Generation Capacity (Bundled Sales)	Generation (System Sales)	Energy (with DA)	Energy (without DA)	SAP (with DA)
Total Residential	49.99%	41.49%	37.81%	47.77%	37.14%	32.94%	37.74%	37.30%
GS-1	6.92%	6.55%	6.60%	6.46%	5.91%	5.74%	6.51%	7.08%
TC-1	0.14%	0.07%	0.09%	0.05%	0.07%	0.08%	0.09%	0.09%
GS-2	20.09%	19.55%	20.17%	18.49%	19.05%	19.06%	19.89%	20.73%
TOU-GS-3	7.91%	8.42%	8.64%	8.04%	9.71%	10.03%	8.56%	9.37%
Total LSMP	35.06%	34.60%	35.50%	33.05%	34.74%	34.91%	35.05%	37.27%
TOU-8-Sec	6.40%	8.46%	8.99%	7.55%	9.74%	10.36%	8.93%	9.36%
TOU-8-Pri	3.56%	4.79%	5.22%	4.05%	5.95%	6.74%	5.34%	5.56%
TOU-8-Sub	0.97%	3.83%	4.37%	2.92%	5.68%	7.07%	4.63%	3.92%
Total Large Power	10.92%	17.07%	18.57%	14.52%	21.37%	24.17%	18.90%	18.84%
TOU-PA-2	1.89%	2.27%	2.50%	1.87%	2.07%	2.24%	2.50%	2.09%
TOU-PA-3	0.84%	1.40%	1.66%	0.96%	1.31%	1.51%	1.68%	1.11%
Total Ag.&Pump.	2.72%	3.67%	4.16%	2.83%	3.38%	3.75%	4.17%	3.20%
Total Street Lights	0.27%	0.59%	0.93%	0.01%	0.55%	0.88%	0.98%	1.14%
STANDBY/SEC	0.18%	0.23%	0.26%	0.19%	0.25%	0.27%	0.26%	0.23%
STANDBY/PRI	0.58%	0.69%	0.79%	0.54%	0.77%	0.85%	0.80%	0.71%
STANDBY/SUB	0.28%	1.65%	1.97%	1.10%	1.81%	2.23%	2.09%	1.31%
Total Standby	1.04%	2.58%	3.02%	1.82%	2.83%	3.35%	3.15%	2.25%
SYSTEM	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Southern California Edison
2009 GRC Revenue Allocation
Summary of Revenue Allocators

	Marginal Cost Revenue Responsibility (MCRR)					Other Allocators		
	Distribution	Generation (Bundled Sales)	Generation Energy (Bundled Sales)	Generation Capacity (Bundled Sales)	Generation (System Sales)	Energy (with DA)	Energy (without DA)	SAP (with DA)
Total Residential	50.58%	40.39%	36.80%	48.36%	36.64%	33.05%	36.88%	36.68%
GS-1	7.34%	6.29%	6.00%	6.93%	5.75%	5.27%	5.84%	6.64%
TC-1	0.14%	0.06%	0.06%	0.05%	0.05%	0.06%	0.06%	0.07%
GS-2	19.90%	20.84%	20.91%	20.68%	20.20%	19.57%	20.44%	20.91%
TOU-GS-3	7.59%	8.43%	9.58%	5.86%	8.61%	9.56%	9.48%	9.34%
Total LSMP	34.96%	35.61%	36.55%	33.52%	34.60%	34.46%	35.82%	36.95%
TOU-8-Sec	6.58%	9.47%	10.24%	7.75%	10.80%	11.44%	10.15%	10.40%
TOU-8-Pri	3.61%	5.67%	6.24%	4.41%	6.82%	7.60%	6.40%	6.56%
TOU-8-Sub	1.22%	5.11%	5.94%	3.26%	7.64%	9.42%	6.38%	5.63%
Total Large Power	11.41%	20.24%	22.41%	15.41%	25.25%	28.45%	22.92%	22.59%
PA-1	0.82%	0.48%	0.46%	0.53%	0.44%	0.41%	0.46%	0.57%
PA-2	0.35%	0.39%	0.41%	0.35%	0.36%	0.38%	0.41%	0.37%
AG-TOU	0.97%	1.23%	1.42%	0.81%	1.18%	1.37%	1.44%	0.98%
TOU-PA-5	0.56%	1.11%	1.15%	1.01%	1.00%	1.05%	1.17%	0.74%
Total Ag.&Pump.	2.70%	3.21%	3.44%	2.69%	2.99%	3.21%	3.48%	2.66%
Total Street Lights	0.35%	0.55%	0.79%	0.02%	0.52%	0.82%	0.89%	1.12%
SYSTEM	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: The 2009 GRC cost-based allocators are shown for comparison purposes to the 2012 GRC allocators.