

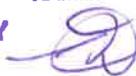
March 30, 2016

**FILED**

**APR 05 2016**

INYO CO. CLERK  
KAMMI FOOTE, CLERK

BY



DEPUTY

**ADVICE 3241-E-A**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Supplement to Advice 3241-E, Establishment of New Optional  
Tariff Provision, Option E, Energy Efficiency - Light Emitting  
Diode Fixture Replacement in Schedule LS-1, and its  
Associated Agreement, Form 14-965, in Compliance with  
Assembly Bill 719 and Public Utilities Code Section 384.5

In compliance with Assembly Bill (AB) 719, Public Utilities (PU) Code Section 384.5, and Decision (D.)14-10-046, Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariffs. The revised tariff sheets are listed on Attachment A and are attached hereto.

**PURPOSE**

The purpose of this advice filing is to make changes to the tariff sheet originally attached to Advice 3241-E, filed on June 30, 2015. This change is made in accordance with General Order (GO) 96-B, General Rule 7.5.1, which authorizes utilities to make additional changes to an advice letter through the filing of a supplemental advice letter.

Specifically, SCE is updating the rates contained within its new optional tariff provision, Option E, Energy Efficiency - Light Emitting Diode (LED) Fixture Replacement, in Schedule LS-1, *Lighting – Street and Highway, Unmetered Service, Company-Owned System*.

This advice filing supplements in part and does not change the substance of the original Advice 3241-E.

**16-00012**

## **BACKGROUND**

On October 7, 2013, AB 719 was approved by Governor Brown and chaptered into law, adding Section 384.5 to the PU Codes. Section 384.5 provides, in pertinent part, that electrical-corporation-owned street lighting poles, whose electricity use is paid by local governments, be converted to technology that reduces electricity consumption so that a city, county, or city and county may achieve lower utility bills for the electricity used by these street lighting poles. The California Public Utilities Commission (Commission) was directed to order electrical corporations, on or before March 1, 2014, to submit, on or before July 1, 2015, a tariff to be used, at the discretion of local governments, to fund energy efficiency improvements in street lighting poles owned by the electrical corporations to ensure reduced energy consumption for local governments who are street lighting customers covered by these tariffs.

On March 3, 2014, the *Assigned Commissioner's Ruling Amending Scoping Memorandum, and Providing Guidance on Energy Savings Goals for Program Year 2015 (ACR)* ordered Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and SCE (jointly, IOUs) to file by July 1, 2015 tariffs to comply with AB 719 and PU Code 384.5. On October 24, 2014, the Commission issued D.14-10-046,<sup>1</sup> which repeats the same direction as the ACR and directs the IOUs to file the tariffs to implement AB 719.

On June 30, 2015, SCE filed Advice 3241-E to establish the new Option E in its Schedule LS-1. Then, in response to SCE's Advice 3241-E, protests were filed by the California City-County Street Light Association (CAL-SLA), City of Oxnard, City of Garden Grove, City of Goleta, City of Palmdale, the South Bay Cities Council of Governments, and the County of Los Angeles Department of Public Works. The basic issue underlying the protests were that the proposed Option E rates and charges are too high and cancel out any financial savings from reducing energy. More specifically, in its protest CAL-SLA objected to SCE's proposed inclusion of the recovery of the undepreciated book value in the Option E monthly fixture charge. Changes included within this supplement address those objections.

## **DISCUSSION**

In the original Advice 3241-E, SCE proposed a new Option E, which consists of a monthly charge that includes the existing Schedule LS-1 Base LED Charge plus the new Energy Efficiency Premium Charge (EEPC). The EEPC is designed to recover the life cycle costs of the replacement, which will be paid by the customer over a 20-year term. The life cycle costs include all components of SCE's revenue requirements

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<sup>1</sup> D.14-10-046, page 20.

embedded in the Real Economic Carrying Charge (RECC) methodology used in marginal cost studies as part of SCE's General Rate Case (GRC) Phase 2 filings.<sup>2</sup>

In this supplemental advice filing, SCE recommends maintaining the same approach, but amends the EEPC value by removing the rate component of the undepreciated book value from the EEPC rate structure. This proposed change is being recommended in anticipation of closing the High Pressure Sodium Vapor (HPSV) streetlight fixture option to new LS-1 customer installations in the near future. Given this recommendation, the undepreciated book value component for streetlight assets should follow existing accounting process, similar to other mass property assets on SCE's plant ledger, implying that the recovery of the same would occur when setting the base facilities charge for the group as a whole. Table 1 below enumerates the EEPC charge by fixture wattage, embedded in Option E over a Single Life Cycle of 20 years.

Table 1

Energy Efficiency Premium Charge based on Single Life Cycle - 20 Year							
Equivalent HPSV Wattage	50	70	100	150	200	250	400
Energy Efficiency Premium Charge (RECC Value for accelerated replacement)	\$1.32	\$1.32	\$1.36	\$1.48	\$1.76	\$1.97	\$2.79

Since the base rates of the streetlight fixtures were recently approved by the 2015 General Rate Case (GRC) decision,<sup>3</sup> the modified Option E in this advice letter will be adjusted using the newly approved base rates. Table 2 below demonstrates the total savings resulting from the elimination of the undepreciated book value proposed in this supplemental advice letter, and the base rate adjusted by the recently approved 2015 GRC base rates.

<sup>2</sup> The RECC methodology used in the design of the EEPC embedded in Option E for AB 719 is a 20-year, single life cycle method, as opposed to the typical RECC method used in the GRC street light rate design that is based on a 35-year perpetuity life cycle method. All other revenue requirement assumptions, such as cost of capital, inflation rate, tax rates etc. are consistent with the assumptions used in the GRC Phase 2 proceedings and work papers.

<sup>3</sup> Decision 16-03-030.

Table 2

<b>LS-1 Street Light Monthly Charges</b>				
<b>Technology</b>	<b>Advice 3241-E</b>		<b>Advice 3241-E-A</b>	
	<b>HPSV</b>	<b>LED</b>	<b>HPSV</b>	<b>LED</b>
Watts	100	39	100	39
kWh per month	40.365	12.9	40.365	12.9
Energy Rate (\$/kwh)	\$0.08015	\$0.08015	\$0.08015	\$0.08015
Energy Charge	\$3.24	\$1.03	\$3.24	\$1.03
Facilities charges				
Base	\$8.81	\$9.75	\$8.25*	\$8.23*
Accelerated Replacement	NA	\$1.36	NA	\$1.36
Undepreciated Book Value	NA	\$1.11	NA	\$0.00
Total Monthly Charge	\$12.05	\$13.25	\$11.49	\$10.62
Monthly Savings		(\$1.21)		\$0.86
<i>* Amended Values based on 2015 GRC Settlement Facilities rates</i>				

**IMPLEMENTATION**

As noted in the original Advice 3241-E, SCE did not include street light upgrades associated with AB 719 in its capital forecast included in Application (A.)13-11-003, Application of Southern California Edison Company (U 338-E) for Authority to, among other things, increase its Authorized Revenues for Electric Service in 2015, and to reflect that increase in Rates (General Rate Case or GRC). For this reason, SCE plans to limit participation in Schedule LS-1 Option E, Energy Efficiency - LED Fixture Replacement depending upon resource and capital funding availability pending a decision in SCE's 2018 Phase 1 GRC (to be filed on September 1, 2016). Following the decision in SCE's 2018 GRC, SCE plans to limit participation in Schedule LS-1 Option E, Energy Efficiency - LED Fixture Replacement to the capital funding approved in that decision.

Following approval of this advice letter, SCE will communicate this proposed change to cities and counties in order to facilitate a smooth transition to LED street lights installations in new construction projects.

### **PROPOSED TARIFF CHANGES**

SCE proposes to modify the Option E values in the rate table and footnote 12 of the same rate table in Sheet 2 of Schedule LS-1 to reflect the removal of the rate component of the undepreciated book value from the EEPC rate structure.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

### **TIER DESIGNATION**

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation which is the same Tier designation as the original filing, Advice 3241-E.

### **EFFECTIVE DATE**

This advice filing, Advice 3241-E-A, and its original advice filing, Advice 3241-E, are requested to become effective on January 1, 2017.

### **NOTICE**

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be submitted to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Michael R. Hoover  
Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B, A.14-06-014 and R.13-11-005 service lists. In addition, cities and counties within SCE's service territory are also being served. Address change requests to the GO 96-B service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-3719. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Amy Liu at (626) 302-4019 or by electronic mail at [Amy.Liu@sce.com](mailto:Amy.Liu@sce.com).

**Southern California Edison Company**

/s/ Russell G. Worden  
Russell G. Worden

RGW:al:cm  
Enclosures

16-00012

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

**MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)**

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

- ELC       GAS  
 PLC       HEAT     WATER

Contact Person: Darrah Morgan

Phone #: (626) 302-2086

E-mail: [Darrah.Morgan@sce.com](mailto:Darrah.Morgan@sce.com)

E-mail Disposition Notice to: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
 PLC = Pipeline     HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3241-E-A

Tier Designation: 2

Subject of AL: Supplement to Advice 3241-E, Establishment of New Optional Tariff Provision, Option E, Energy Efficiency - Light Emitting Diode Fixture Replacement in Schedule LS-1, and its Associated Agreement, Form 14-965, in Compliance with Assembly Bill 719 and Public Utilities Code Section 384.5

Keywords (choose from CPUC listing): Compliance, Energy Efficiency, Street Lights

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Decision 14-10-046

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL: \_\_\_\_\_

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required?  Yes  No

Requested effective date: 01/01/17

No. of tariff sheets: -1-

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: See Attachment A

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: None

<sup>1</sup> Discuss in AL if more space is needed.

16-00012

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Michael R. Hoover  
Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

16-00012

Cal. P.U.C.  
Sheet No.

Title of Sheet

Cancelling Cal.  
P.U.C. Sheet No.

Revised 57072-E

Schedule LS-1

Revised 56879-E



Schedule LS-1  
LIGHTING - STREET AND HIGHWAY - UNMETERED SERVICE  
COMPANY-OWNED SYSTEM  
(Continued)

Sheet 2

RATES (Continued)

LS-1 (Cont) Sheet 2	Delivery Service							Generation		
	Trans*	Distribn*	NSGC**	NDC	PPPC	DWRBC	PUCRF*	Total	UG***	DWREC**
Low Pressure Sodium Vapor Lamps - \$/Lamp/Month										
35 Watt		11.39						11.39		
55 Watt		11.39						11.39		
90 Watt		11.92						11.92		
135 Watt		11.80						11.80		
180 Watt		12.36						12.36		
Metal Halide Lamps - \$/Lamp/Month										
70 Watt		0.00						0.00		
100 Watt		9.59						9.59		
150 Watt		9.40						9.40		
175 Watt		10.00						10.00		
250 Watt		10.17						10.17		
Base LED Charge <sup>11</sup>										(N)
Light Emitting Diode (LED) Lamps - \$/Lamp/Month (High Pressure Sodium Vapor Recommended Lamps)										
50 Watt		9.43						9.43		
70 Watt		9.61						9.61		
100 Watt		9.75						9.75		
150 Watt		10.44						10.44		
200 Watt		11.30						11.30		
250 Watt		12.93						12.93		
400 Watt		13.75						13.75		
Option E - Light Emitting Diode (LED) Lamps - \$/Lamp/Month <sup>12</sup> (High Pressure Sodium Vapor Recommended Lamps)										(N)
50 Watt		10.75						10.75		
70 Watt		10.93						10.93		
100 Watt		11.11						11.11		
150 Watt		11.92						11.92		
200 Watt		13.06						13.06		
250 Watt		14.90						14.90		
400 Watt		16.54						16.54		(N)
Tap Device Annual Charge - \$/Device		14.13						14.13		

- \* The kilowatthours used to determine the Energy Charge for the lamp types and sizes served under this Schedule are shown in the Special Conditions section, below.
- \*\* Closed to new installations.
- \*\*\* The ongoing Competition Transition Charge (CTC) of \$0.00000 per kWh is recovered in the URG component of Generation.
- 1 Trans = Transmission and the Transmission Owners Tariff Charge Adjustments (TOTCA) which are FERC approved. The TOTCA represents the Transmission Revenue Balancing Account Adjustment (TRBAA) of \$(0.00011) per kWh, Reliability Services Balancing Account Adjustment (RSBAA) of \$(0.00048) per kWh, and Transmission Access Charge Balancing Account Adjustment (TACBAA) of \$0.00127 per kWh.
- 2 Distribtn = Distribution
- 3 NSGC = New System Generation Charge
- 4 NDC = Nuclear Decommissioning Charge
- 5 PPPC = Public Purpose Programs Charge (includes California Alternate Rates for Energy Surcharge where applicable.)
- 6 DWRBC = Department of Water Resources (DWR) Bond Charge. The DWR Bond Charge is not applicable to exempt Bundled Service and Direct Access Customers, as defined in and pursuant to D.02-10-063, D.02-02-051, and D.02-12-082.
- 7 PUCRF = The PUC Reimbursement Fee is described in Schedule RF-E.
- 8 Total = Total Delivery Service rates are applicable to Bundled Service, Direct Access (DA) and Community Choice Aggregation Service (CCA Service) Customers, except DA and CCA Service Customers are not subject to the DWRBC rate component of this Schedule but instead pay the DWRBC as provided by Schedule DA-CRS or Schedule CCA-CRS.
- 9 Generation = The Generation rates are applicable only to Bundled Service Customers.
- 10 DWREC = Department of Water Resources (DWR) Energy Credit – For more information on the DWR Energy Credit, see the Billing Calculation Special Condition of this Schedule.
- 11 Base LED Charge lists the charges applicable to customers with LED fixtures installed upon a lump sum payment(s). (N)
- 12 Option E is the monthly Energy Efficiency Premium Charge and the Base LED Charge by fixture wattage. |  
Energy Efficiency Premium Charges (EPCC) by fixture wattage: \$1.32 \$1.32 \$1.36 \$1.48 \$1.76 \$1.97 \$2.79 |  
50 Watt / \$1.32, 70 Watt / \$1.32, 100 Watt / \$1.36, 150 Watt / \$1.48, 200 Watt / \$1.76, 250 Watt / \$1.97 and 400 Watt / \$2.79 (N)

(Continued)

(To be inserted by utility)  
Advice 3241-E-A  
Decision 14-10-046

Issued by  
R.O. Nichols  
Senior Vice President

(To be inserted by Cal. PUC)  
Date Filed Mar 30, 2016  
Effective \_\_\_\_\_  
Resolution \_\_\_\_\_