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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) To Establish Marginal Costs, Allocate Revenues, Design Rates, and Implement Dynamic Pricing Rates	))))	Application 11-06-007 (Filed June 6, 2011)

MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E), THE DIVISION OF RATEPAYER ADVOCATES, THE COUNTY OF LOS ANGELES, THE CALIFORNIA BLACK CHAMBER OF COMMERCE, AND CALIFORNIA SMALL BUSINESS ROUNDTABLE & CALIFORNIA SMALL BUSINESS ASSOCIATION FOR ADOPTION OF SMALL COMMERCIAL AND INDUSTRIAL CUSTOMER RATE DESIGN SETTLEMENT AGREEMENT

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MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E), THE DIVISION OF RATEPAYER ADVOCATES, THE COUNTY OF LOS ANGELES, THE CALIFORNIA BLACK CHAMBER OF COMMERCE (CBCC), AND CALIFORNIA SMALL BUSINESS ROUNDTABLE & CALIFORNIA SMALL BUSINESS ASSOCIATION FOR ADOPTION OF SMALL COMMERCIAL AND INDUSTRIAL CUSTOMER RATE DESIGN SETTLEMENT AGREEMENT

Pursuant to Rule 12.1 *et seq* of the Commission's Rule of Practice and Procedure, Southern California Edison Company (SCE), on behalf of itself, the Division of Ratepayer Advocates (DRA); the California Black Chamber of Commerce (CBCC) and California Small Business Roundtable & California Small Business Association (CSBRT/CSBA); and the County of Los Angeles (LAC) (referred to hereinafter collectively as Settling Parties or individually as Party) requests that the Commission adopt and find reasonable the "Small Commercial And Industrial Customer Rate Design Settlement Agreement," (Settlement Agreement) which is appended to this motion as Attachment A.

The Settling Parties have reached a Settlement Agreement that resolves all issues that have been raised in this proceeding with respect to rate design for SCE's commercial and industrial customers in the GS-1 rate group (or, "Small Commercial Rate Group") whose demands are up to 20 kilowatts (kW). As soon as practicable following a Commission decision adopting the Settlement Agreement, but no earlier than January 1, 2013, SCE will adjust its rates for customers in the GS-1 rate group pursuant to the terms of the Settlement Agreement.

Section I of this motion provides background related to this proceeding. Section II describes in general the positions advocated by parties in this proceeding and the terms of the Settlement Agreement. Section III demonstrates that the Settlement Agreement is reasonable in light of the whole record, consistent with law, and in the public interest, and that it should be adopted without modification. Section IV discusses the requests of the Settling Parties related to processing of this request and the implementation of revised rates.

I.

BACKGROUND

This proceeding was initiated by the filing of SCE's application on June 6, 2011, along with SCE's prepared direct testimony regarding marginal costs, revenue allocation and rate design. On October 7, 2011, SCE revised its initial testimony. The DRA served its initial testimony on December 20, 2011. Interveners, including LAC and CBCC, served their initial testimony on February 6, 2012. Each Settling Party represents customers who are directly affected and have an interest in the outcome of rate design issues related to the Small Commercial Rate Group in this proceeding.

SCE provided notice to all parties of its intent to conduct a settlement conference and an initial settlement conference was held on February 22, 2012. Continuing discussions related to the potential settlement of issues in this proceeding occurred among the interested parties after the settlement conference.

II.

SUMMARY OF POSITIONS AND SETTLEMENT

A. Positions Taken in Testimony

Appendix A to the Settlement Agreement provides a comparison of positions related to GS-1 rate group rate design issues and the manner in which these issues have been resolved by the Settlement

Agreement.[1] The rate design and time-variant or dynamic pricing proposals addressed in SCE's testimony included the following:

- Schedule GS-1: Set customer charges at their full marginal cost-based level, with a 7¢ per kWh differential between summer and winter Energy Charges.
- Time-of-Use (TOU) rate schedules: Set the Customer Charges and Energy Charges at their full marginal cost-based levels.
- Dynamic Pricing implementation: Eliminate the transition to default Critical Peak Pricing (CPP), as ordered by D.09-08-028, and instead transfer GS-1 customers to TOU schedules beginning October 2012. Provide optional CPP, CPP-Lite, and real-time-pricing (RTP) tariffs.[2] If the CPUC rejects this proposal, then, consistent with policy in D.11-11-008, adopt mandatory TOU for eligible customers for a period of not less than two years before making GS-1 customers subject to default CPP schedules.
- CPP program: The CPP tariff shall require 12 events per year and may occur only during the time period from 2:00 p.m. to 6:00 p.m. Bills under CPP for the first 12 months shall not exceed bills calculated on the customer's otherwise applicable tariff provided the customer remains on the CPP tariff for a full year.
- Bill Protection: One year of bill protection for GS-1 customers who choose optional CPP service but no bill protection for mandatory TOU service.
- Schedule TOU-EV-3: Schedule TOU-EV-3 shall have discounted off-peak Energy Charges established as defined by D.07-11-052, with the same TOU periods that apply to C&I customers in the GS-1 rate group.

DRA made the following proposals:

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1 Capitalized terms are defined in the Settlement Agreement in Paragraph 3.

2 Because SCE's proposals would modify D.09-08-028, SCE separately included proposals designed to comply with the existing requirements of D.09-08-028.

- Implement default TOU beginning October 2013, with optional flat rate GS-1 Schedule. The TOU tariff should reflect lower on- to off-peak rate differentials than proposed by SCE, *i.e.*, TOU-Lite.
- Implement mandatory TOU-Lite in October 2014; mandatory TOU in SCE's 2015 GRC, possibly with a cost-based design.
- New TOU customers should be provided at least one year of bill protection. DRA also supports a snap credit program.
- CPP and RTP tariffs should remain optional. However, if CPUC orders default CPP, do not implement CPP prior to two summers' experience on TOU.

CBCC/LAC made the following proposals:

- There should be no specific transition dates for GS-1 customers to transition to TOU or CPP rates. A phased-in approach starting with optional TOU for GS-1 customers should be adopted.
- Default and mandatory TOU should be implemented only after customer acceptance and learning milestones are reached.
- CPP should be available as an optional schedule but should be based on full cost-based levels, rather than a CPP-Lite version.[3]
- CBCC/LAC supports DRA's proposals for bill protection for new TOU customers, and supports SCE's proposed bill protection for customers opting into CPP.

B. <u>Resolution of Issues in Settlement</u>

A summary of the issues that were settled after considerable discussion among the Settling Parties is as follows:[4]

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[3] CPP-Lite is a version of the CPP tariff where the CPP Energy Charges are established at a level of one-half of the cost-based level and the associated credit level applied to the Time-Related Demand Charge (or other Energy Charge if applicable) is correspondingly established at one-half of the level of the cost-based CPP schedule.

[4] The Settlement Agreement provides more comprehensive details.

- Schedule GS-1: Limit any increase in the GS-1 Customer Charge to 5 percent above its level prior to implementation of this Agreement. Adopt a 3¢ per kWh differential between summer and winter Energy Charges for Schedule GS-1.
- TOU-GS-1: Limit any Customer Charge increase to 5 percent above its level prior to implementation of this Agreement. Design TOU rates based on DRA's recommended on- to mid- to off-peak rate differentials with average Energy Charges for summer set at 3 cents per kWh more than average winter Energy Charges.
- Time-variant and Dynamic Pricing Implementation: TOU rate structure should remain available as an option for GS-1 customers, with flat rate retained as the default schedule. CPP-Lite will be available as an option for all GS-1 customers. CPP at the full cost-based level will remain available to customers already served on CPP but will be closed to new customers.
- CPP Program: Accept SCE's proposed structure
- Bill Protection: One year of bill protection for GS-1 customers that opt into CPP-Lite. No bill protection for customers who choose to transfer to optional TOU.
- Schedule TOU-EV-3: Accept SCE's proposal

The Settlement Agreement resolves all issues that were raised in this proceeding with respect to rate design and tariff matters for the Small Commercial Rate Group. Among other things, the Settlement Agreement provides the means of establishing rates when this Agreement is first implemented and thereafter for the term of the Agreement. Appendix A to the Settlement Agreement summarizes the positions of the parties in their prepared testimony and how each issue is resolved by the Settlement Agreement. Illustrative rates based on the Settlement Agreement are provided in Appendix B to the Settlement Agreement.

III.

REQUEST FOR ADOPTION OF THE SETTLEMENT AGREEMENT

The Settlement Agreement is submitted pursuant to Rule 12.1 *et seq.* of the Commission's Rules of Practice and Procedure (Rules). The Settlement Agreement is consistent with Commission decisions on settlements which express the strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record.[5] This policy supports many worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.[6] As long as a settlement taken as a whole is reasonable in light of the record, consistent with the law, and in the public interest it should be adopted without change.

The Settlement Agreement complies with Commission guidelines and relevant precedent for settlements. The general criteria for Commission approval of settlements are stated in Rule 12.1(d) as follows:

> The Commission will not approve stipulations or settlements, whether contested or uncontested, unless the stipulation or settlement is reasonable in light of the whole record, consistent with law, and in the public interest.[7]

The Settlement Agreement meets the criteria for a settlement pursuant to Rule 12.1(d), as discussed below.

A. The Settlement Agreement Is Reasonable In Light Of The Record

The prepared testimony, the Settlement Agreement itself, and this motion contain the information necessary for the Commission to find the Settlement Agreement reasonable in light of the

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[5] *See, e.g.,* D.88-12-083 (30 CPUC 2d 189, 221-223) and D.91-05-029 (40 CPUC 2d, 301, 326).

[6] D.92-12-019, 46 CPUC 2d 538, 553.

[7] *See also*, *Re San Diego Gas & Electric Company,* (D.90-08-068), 37 CPUC 2d 360: "[S]ettlements brought to this Commission for review are not simply the resolution of private disputes, such as those that may be taken to a civil court. The public interest and the interest of ratepayers must also be taken into account and the Commission's duty is to protect those interests."

record. Prior to the settlement, parties conducted discovery, and served testimony on the issues related to rate design for the Residential rate group. The Settling Parties request that the Commission admit the prepared testimony and related exhibits into the Commission's record of this proceeding.

The Settlement Agreement represents a reasonable compromise of the Settling Parties' positions. The prepared testimony of the Settling Parties contains sufficient information for the Commission to judge the reasonableness of the Settlement Agreement.

B. The Settlement Agreement Is Consistent With Law

The Settling Parties believe that the terms of the Settlement Agreement comply with all applicable statutes and prior Commission decisions, and reasonable interpretations or modifications thereof that can be adopted by the Commission pursuant to its authority under the Public Utilities Code.

Specifically, the Settling Parties note that the Settlement Agreement includes provisions that allow for optional, as opposed to mandatory, TOU rates for customers in the Small Commercial Rate Group, as well as a provision that would make CPP rates optional, as opposed to the default CPP structure, with the ability to opt out to a TOU rate schedule.[8] The provisions in the Settlement Agreement would modify the requirements for SCE's small commercial customers that were established in D.09-08-028, and were based on a prior decision, D.08-07-045, applied to PG&E's small commercial customers. In its initial testimony in this proceeding, SCE proposed a modification of those requirements based on lessons it had learned from the deployment of default CPP rates for customers with demands of more than 200 kW. The Commission subsequently adopted a revised implementation plan for time-variant and dynamic pricing for PG&E's small and medium commercial customers in D.11-11-018. That decision ordered mandatory TOU rates for PG&E's commercial customers beginning November 2012, followed by default CPP rates two years thereafter.[9]

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8 See Paragraph 6, p. 13 and Paragraph 5.a, p. 11.

9 In response to a subsequent PG&E petition for modification of D.10-02-032 and D.11-11-008, the Commission recently declined to reverse its prior decisions to change mandatory TOU to default opt-out TOU for PG&E's small and medium commercial and industrial and agricultural customers.

The Settling Parties believe the Settlement Agreement provides a reasonable outcome with respect to SCE's approximately 480,000 customers who are served on tariffs in the GS-1 rate group. Separately, SCE expects to file a settlement agreement related to the requirements that should apply to the approximately 120,000 customers in the GS-2 rate group, who have demands from 20 kW to 200 kW, and who would be required to take mandatory TOU service. CPP rate structures would be optional for customers in the GS-1 and GS-2 rate groups instead of becoming the default rate structures.

The Settling Parties believe that this approach is reasonable because GS-2 customers represent over 80 percent of the combined load imposed on SCE's system by GS-1 and GS-2 customers, but represent less than 20 percent of the total number of customer service accounts. Thus, these provisions will expose the great majority of the combined load of GS-1 and GS-2 customers to time-variant pricing while substantially reducing the operational impact, since the change will affect only about 20 percent of the 600,000 accounts. In addition, the state-wide pricing pilot demonstrated a limited response from customers in the GS-1 rate group to time-variant price signals. Thus, an opt-in TOU program for the smallest commercial customers has limited down side with respect to the expected demand response to be achieved. The settlement will also allow SCE to focus its Marketing, Education and Outreach efforts on 120,000 GS-2 customers, rather than spreading these efforts across 600,000 GS-1 and GS-2 customers. This will be more efficient, cost-effective and provide greater assistance to customers transitioning to time-varying rates. Finally, these provisions retain customer choice for the smallest commercial customers, who are more similar to residential customers than to larger commercial customers in their ability to shift load.

In agreeing to the terms of the Settlement Agreement, the Settling Parties have explicitly considered the relevant statutes and Commission decisions and believe that the Commission can approve the Settlement Agreement without violating applicable statutes or prior Commission decisions.

C. **The Settlement Agreement Is In The Public Interest**

The Settlement Agreement is a reasonable compromise of the Settling Parties' respective positions. The Settlement Agreement is in the public interest and in the interest of SCE's customers. It fairly resolves issues and provides more certainty to residential customers regarding their present and future costs, which is in the public interest. The Settlement Agreement, if adopted by the Commission, avoids the cost of further litigation, and frees up Commission resources for other proceedings. Given that the Commission's workload is extensive, the impact on Commission resources is doubly important. The Settlement Agreement frees up the time and resources of other parties as well, so that they may focus on other proceedings. The prepared direct testimony contains sufficient information for the Commission to judge the reasonableness of the Settlement Agreement and for it to discharge any future regulatory obligations with respect to this matter.

Each portion of the Settlement Agreement is dependent upon the other portions of the Settlement Agreement. Changes to one portion of the Settlement Agreement would alter the balance of interests and the mutually agreed upon compromises and outcomes which are contained in the Settlement Agreement. As such, the Settling Parties request that the Settlement Agreement be adopted as a whole by the Commission, as it is reasonable in light of the whole record, consistent with law, and in the public interest.

IV.

SCHEDULE FOR COMMENTS AND IMPLEMENTATION OF SETTLEMENT AGREEMENT

The Settling Parties seek approval of the terms of the Settlement Agreement so that SCE may implement rates as soon as practicable following the issuance of a final Commission decision approving the Settlement Agreement but no earlier than January 1, 2013. In order to minimize any changes to the current schedule for this proceeding, the Settling Parties request some reductions in the time periods provided by Rule 12.2 for comments and replies to comments on the Settlement Agreement. In order to accommodate questions about the Settlement Agreement in the event there are any material contested issues of fact or questions from the Commission following the filing of comments, the Settling Parties request that a portion of one day be scheduled for a hearing (with a panel of sponsoring witnesses) in accordance with the following schedule:

Event	Date
Motion filed for Adoption of the Settlement Agreement	September 7, 2012
Opening comments, if any, on the Settlement Agreement	September 12, 2012
Reply comments on the Settlement Agreement	September 17, 2012
Hearing on the Settlement Agreement, if necessary	September 20/21, 2012

V.

CONCLUSION

WHEREFORE, the Settling Parties respectfully request that the Assigned Commissioner, Assigned ALJ, and the Commission:

1. Approve the attached Settlement Agreement as reasonable in light of the record, consistent with law, and in the public interest; and
2. Authorize SCE to implement changes in rates and tariffs in accordance with the terms of the Settlement Agreement.

Respectfully submitted,

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THE COUNTY OF LOS ANGELES,
THE CALIFORNIA BLACK CHAMBER OF COMMERCE, and
THE CALIFORNIA SMALL BUSINESS ROUNDTABLE &
CALIFORNIA SMALL BUSINESS ASSOCIATION[10]

September 7, 2012

[10] In accordance with Rule 1.8(d), counsel for DRA, LAC, CBCC, and CSBRT/CSBA have authorized SCE's counsel to sign and file this motion on their behalf.

Attachment A

SMALL COMMERCIAL CUSTOMER RATE DESIGN SETTLEMENT AGREEMENT

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) To Establish Marginal Costs, Allocate Revenues, Design Rates, And Implement Additional Dynamic Pricing Rates	))))	Application 11-06-007 (Filed June 6, 2011)

SMALL COMMERCIAL AND INDUSTRIAL CUSTOMER RATE DESIGN SETTLEMENT AGREEMENT

Dated: September 6, 2012

SMALL COMMERCIAL AND INDUSTRIAL CUSTOMER RATE DESIGN SETTLEMENT AGREEMENT

SMALL COMMERCIAL AND INDUSTRIAL CUSTOMER RATE DESIGN SETTLEMENT AGREEMENT

This Small Commercial and Industrial Customer Rate Design Settlement Agreement (Agreement or Settlement Agreement) is entered into by and among the undersigned Parties hereto, with reference to the following:

1. Parties

The Parties to this Agreement are Southern California Edison Company (SCE); the Division of Ratepayer Advocates (DRA); the California Black Chamber of Commerce (CBCC) and California Small Business Roundtable & California Small Business Association (CSBRT/CSBA); and the County of Los Angeles (LAC); referred to hereinafter collectively as Settling Parties or individually as Party.

a. SCE is an investor-owned public utility and is subject to the jurisdiction of the California Public Utilities Commission (Commission or CPUC) with respect to providing electric service to its CPUC-jurisdictional retail customers.

b. DRA is a division of the Commission that represents the interests of public utility customers. Its goal is to obtain the lowest possible rate for service consistent with reliable and safe service levels. Pursuant to Public Utilities Code Section 309.5(a), the DRA is directed to primarily consider the interests of residential and small commercial customers in revenue allocation and rate design matters.

c. CBCC represents the interests of small businesses and micro-businesses in California, particularly African American-owned small businesses.

d. CSBRT and CSBA are nonprofit organizations, which provide information to, and represent the interests of, small businesses in California.

e. LAC has actively participated in numerous Commission proceedings over the past several years, including but not limited to: prior SCE general rate cases (GRCs), energy efficiency proceedings, and greenhouse gas rulemakings. Through prior SCE GRCs and the energy efficiency proceedings, LAC has sought to engage SCE to increase funding for, and improve the performance of, SCE's local government energy efficiency partnership programs. LAC maintains over 2,500 separately metered accounts.

2. <u>Definitions</u>

Capitalized terms in this Agreement, whether in singular or plural, shall have the following meanings:

a. "Commission" or "CPUC" means the California Public Utilities Commission.

b. "Critical Peak Pricing" or "CPP" means a dynamic rate that provides a high, short-term, CPP Energy Charge of a predetermined level during high load or other high-cost system conditions. Typically, the time and duration of the CPP Energy Charge are predetermined, but the CPP event days are not predetermined. Participating customers receive a credit reflected in summer Demand Charges or Energy Charges, where applicable, on all days when CPP events are not called.

c. "CPP-Lite" means a version of the CPP tariff where the CPP Energy Charges are established at a level of one-half of the cost-based level and the associated credit level applied to the Time-Related Demand Charge (or other Energy Charge if applicable) is correspondingly established at one-half of the level of the cost-based CPP schedule. CPP-Lite will be available only to customers in the GS-1 and GS-2 rate groups with demands of less than 200 kW. The Capacity Reservation Level option that is available to customers with demands of 200 kW or more will not be available to customers in the GS-1and GS-2 rate groups.

d. "Customer Charges" mean the fixed dollar per month charge applied to customers in the Commercial and Industrial (C&I) rate groups that are designed to recover the fixed customer costs of connection to SCE's system.

e. "Energy Charges" mean the dollar per kilowatt-hour (kWh) charges that recover (1) the portion of SCE's generation services revenues not recovered in Time-Related Demand Charges; (2) the remaining portion of SCE's delivery services revenues where there are no Facilities-Related Demand Charges; and (3) other delivery services revenues for public purpose programs (including Energy Efficiency and CARE), New System Generation Service (NSGS), Nuclear Decommissioning, CARE balancing account, California Department of Water Resources (DWR) bonds, and CPUC reimbursement fees. Energy Charges are designed to provide a price signal consistent with marginal cost differentials in TOU energy rates, where TOU energy rates apply to a specific schedule.

f. "Demand Charges" mean those charges that are comprised of Facilities-Related Demand Charges and Time-Related Demand Charges, which are based on the customer's maximum kW demand during the specified billing periods. Demand Charges recover a portion of SCE's delivery and generation costs, where such charges apply to a specific rate schedule.

g. "Eligibility Criteria" apply to transfers of customers from a tariff where rates do not vary by TOU periods to a mandatory TOU rate or to a default CPP rate schedule. Such customers must have at least 12 months of recorded usage data from an interval meter and must not be already taking service on a TOU, CPP, or RTP rate option.

h. "EPMC" means equal percent of marginal cost. Because marginal cost revenues do not equal the utility's revenue requirement, in general, the utility revenue requirement is allocated to different rate groups in proportion to each rate group's percentage share of marginal cost revenue responsibility by function (*i.e.*, separately for generation costs, and for combined distribution and customer costs).

i. "Facilities-Related Demand Charges" or "FRD Charges" are charges applied to customers' monthly maximum demands, not differentiated by TOU or by season, that are designed to recover certain transmission and distribution costs that are defined to be unrelated to generation system peak or coincident peak usage.

j. "Functional SAPC Allocation" means allocation of SCE's revenue requirement to each of SCE's rate groups based on the system average percentage change for the particular function, *e.g.*, distribution or generation.

k. "Renewable Distributed Generation Technologies" means solar, wind, fuel cells, and any other renewable generation technology as defined in the Statewide California Solar initiative, the Self-Generation Incentive Program, or their successors.

l. "SCE RECC" means the method used by SCE to determine marginal customer costs for each rate group in Exhibit SCE-02 (Updated), dated October 7, 2011.

m. "Settling Parties" means SCE, DRA, CBCC, LAC, and CSBRT/CSBA.

n. "Small Commercial Rate Group" means the GS-1 rate group, which is comprised of customers with demands up to 20 kW that take service on the following rate schedules: Schedule GS-1; Schedule TOU-GS-1, Option A or Option B, TOU-GS-1-RTP, TOU-GS-1-CPP, Schedule TOU-EV-3, CPP riders, or other optional rate schedules.

o. "Time-Related Demand Charges" or "TRD Charges" are generation-related, marginal cost based, capacity-related charges assigned to TOU periods based on loss-of-load probabilities during the TOU periods. Scaled TOU marginal energy costs along with the TRD Charges are designed, where they apply to optional rate schedules in the

GS-1 rate group, to collect the allocated revenue requirement for SCE's base generation and fuel and purchased power costs.

3. **Recitals**

a. In Phase 2 of SCE's 2012 GRC, the Commission allocates SCE's authorized revenue requirement among rate groups and authorizes rate design changes for rate schedules in each rate group.

b. On June 6, 2011, SCE served its initial prepared testimony regarding marginal costs, revenue allocation and rate design in Application 11-06-007. On October 7, 2011, SCE revised its initial testimony.

c. DRA served its initial testimony on December 20, 2011. Intervenors, including the Settling Parties to this Agreement, served their initial prepared testimony on February 6, 2012.

d. The following Settling Parties submitted prepared testimony regarding C&I customer rate design: SCE, DRA, and CBCC/LAC.[1]

e. SCE provided notice to all parties of its intent to conduct a settlement conference related to issues and an initial settlement conference was held on February 22, 2012.

f. Continuing settlement discussions occurred among the parties after February 22, 2012.

g. Appendix A to this Agreement provides a comparison of the Settling Parties' positions, where applicable, related to rate design issues that have been resolved by this Agreement. In the event of a conflict between the terms of this Agreement and Appendix A, the terms of this Agreement shall control.

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[1] Energy Users Forum (EUF) also submitted testimony on certain issues related to the GS-1 rate group.

h. The Settling Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues related to rate design for the GS-1 rate group beginning with the implementation of a CPUC decision approving this Agreement, and, in consideration of the mutual obligations, covenants and conditions contained herein, have reached agreement as indicated in Paragraphs 4 and thereafter of this Agreement. Nothing in this Agreement shall be deemed to constitute an admission by any Settling Party that its position on any issue lacks merit or that its position has greater or lesser merit than the position taken by any other Settling Party. This Agreement is subject to the express limitation on precedent as provided in Commission Rule 12.5 and as described in Paragraph 14. Unless specifically stated otherwise herein, this Agreement and its terms are intended to remain in effect until a decision is implemented in Phase 2 of SCE's next GRC proceeding.

4. <u>Common Rate Design Principles</u>

a. <u>Rate Structure Elements</u>

Consistent with SCE's Application, rate structures for the GS-1 rate group will generally consist of Customer Charges, Time-of-Use or summer and winter seasonal Energy Charges, TRD Charges, and FRD Charges. Optional CPP and RTP rate schedules will be available to customers served in the GS-1 rate group.

b. <u>Customer Charges</u>

Customer Charges in the GS-1 rate group shall be set at five percent over the then-current customer charge levels when this Agreement is first implemented in 2013, and shall remain at that level until they are revised in Phase 2 of SCE's next GRC proceeding. As shown in Appendix B, the estimated, proposed Customer Charges are \$23.41 per month, collected on a cents-per-day basis.

c. Energy Charges

Proposed Energy Charges based on the 2013 estimated consolidated revenue requirement are set forth in Appendix B.[2] When this Agreement is first implemented in 2013, these estimated Energy Charges shall be adjusted, as necessary, consistent with the then-current revenues allocated to each rate group in accordance with MC/RA Settlement Agreement.[3] Thereafter, these estimated Energy Charges shall be adjusted consistent with Paragraph 4.i. when SCE's authorized revenues change.

i. Non-Generation-Related Energy Charges

Energy Charges that are designed to recover revenues associated with transmission, distribution, public purpose programs, new system generation service, nuclear decommissioning, CARE balancing account, the California Department of Water Resources bonds, and the California Public Utilities Commission reimbursement fee shall be established on the basis of the specific functional authorized revenue requirements and the terms specified in the Marginal Cost and Revenue Allocation (MC/RA) Settlement Agreement, which was filed July 27, 2012.

ii. Generation-Related Energy Charges

Except where otherwise specified in Paragraph 5 of this Agreement, generation-related Energy Charges shall be established based on the time-of-use (TOU) marginal energy costs set forth in the MC/RA Settlement Agreement.

d. Demand Charges

Where applicable to a specific rate schedule, demand charges shall consist of TRD Charges and FRD Charges. Time-Related Demand Charges may be differentiated by

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[2] The estimated consolidated revenue requirement is defined in the Marginal Cost and Revenue Allocation Settlement Agreement, filed July 27, 2012, as $12,338 million, which represents an increase of 10.34 percent over SCE's June 2011 authorized revenues.

[3] See Paragraph 4.b.vi of the MC/RA Settlement Agreement.

summer and winter seasons and by TOU periods. FRD Charges are not differentiated by season or TOU periods.

i. <u>Time-Related Demand Charges</u>

Consistent with the values for marginal generation capacity cost, marginal energy cost, and the estimated adjusted consolidated revenue requirement set forth in the MC/RA Settlement Agreement, the estimated TRD Charges, where applicable, that are established to recover the allocated generation revenues from TOU rate schedules for GS-1 rate group shall be as set forth in Table C&I-1, below.

To avoid excessive bill impacts, TRD Charges shall be established based on a marginal generation capacity cost of $95 per kW per year, instead of the $114 per kW per year cost that underlies the MC/RA Settlement Agreement. The generation revenue deficiency relative to the $114 per kW-year marginal generation capacity value that is reflected in the MC/RA Settlement Agreement will be recovered, where applicable, in the summer season, on- and mid-peak Energy Charges, maintaining the same percentage recovery of generation revenues by TOU periods.

Table C&I-1
Estimated Time-Related Demand Charges

	TOU-GS-1, Option B
Summer On-Peak $/kW	7.42
Summer Mid-Peak $/kW	2.80

When this Agreement is first implemented in 2013, these estimated TRD Charges shall be adjusted, as necessary, consistent with the then-current revenues allocated to each rate group in accordance with MC/RA Settlement Agreement.[4] Thereafter, these estimated TRD Charges shall be adjusted consistent with Paragraph 4.i when SCE's authorized generation revenues change.

ii. Facilities-Related Demand Charges

Facilities-Related Demand Charges that are established to recover certain allocated delivery revenues, including SCE's adopted transmission revenues, shall be consistent with the marginal costs reflected in the MC/RA Settlement Agreement and Exhibit SCE-04 (Updated) as indicated in Table C&I-2, below:

Table C&I-2
Estimated Facilities-Related Demand Charges

	TOU-GS-1, Option B
FRD Charge, $/kW	5.43

When this Agreement is first implemented, these estimated FRD Charges shall be adjusted, as necessary, consistent with SCE's then-current authorized revenues and the MC/RA Settlement Agreement. The distribution component of the estimated FRD Charge shall be adjusted, as necessary, by the appropriate Functional SAPC distribution scalar when SCE's authorized distribution revenues change. Similarly, the transmission component of the estimated FRD Charge shall be adjusted, as necessary, by the appropriate SAPC transmission scalar when Federal Energy Regulatory Commission (FERC)-authorized transmission revenues change.

e. Voltage Discounts

Customers served at higher voltage delivery levels than the design voltage level for their rate group will receive a voltage discount reflecting their lower cost of service.

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4 See Paragraph 4.b.vi of the MC/RA Settlement Agreement.

SCE will establish the discount levels based on the difference in marginal costs of service between the design or predominant voltage level for a given rate group and the higher voltage service options. Voltage discounts shall apply to rate schedules in the GS-1 rate group, as indicated in Appendix B.

f. Power Factor Adjustments

The method for determining power factor adjustment rates will be revised to more closely reflect SCE's cost of correcting poor power factor conditions, as indicated in Exhibit SCE-04 (Updated). Power factor adjustments paid by certain customers shall be as proposed by SCE, which is $0.34 $/kVAR for service at or above 50 kV and $0.51/kVAR for service at less than 50 kV.[5]

g. Demand Response Credits (APS, CPP, CPP-Lite, and BIP)

Eligibility, rate structures and rate designs associated with SCE's demand response programs, *e.g.*, APS (air conditioning cycling) and CPP shall be as proposed by SCE in Exhibit SCE-05 and in Exhibit SCE-04 (Updated) and as determined by the Commission in D.12-04-045, for the purposes of dual participation or rate participation. The level of credits that are provided for non-firm service, including price-based and reliability-based demand response programs, shall be based on the net marginal generation capacity cost that is reflected in the MC/RA Settlement Agreement, which is the generation marginal capacity cost of $114 per kW per year, reduced by a 5.6 percent general plant loader, yielding a value of $107.6 per kW per year. Illustrative proposed rates are listed in Appendix B.

h. TOU and Seasonal Periods

Unless otherwise specified, SCE's existing on-, mid-, and off-peak TOU periods and SCE's summer and winter season definitions for customers in the GS-1 rate group shall not be modified.

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5 Exhibit SCE-04 (updated), p. 62.

i. **Implementing Future Revenue Changes in Rates**

As described in the MC/RA Settlement Agreement, when SCE's authorized revenues change in the future, SCE will first adjust rate levels for the default rate schedule (without CPP elements), *i.e.*, Schedule GS-1, using a Functional SAPC adjustment. SCE will then rebalance optional rate levels to ensure revenue neutrality between the default rate schedule and the optional rate schedules. For example, generation revenue changes resulting from SCE's ERRA proceedings shall be allocated on a Functional SAPC basis, *i.e.*, the revised SCE generation revenue requirement would be allocated by applying a generation-level SAPC scalar based on the difference between present rate revenues and proposed rate revenues for the default rate schedules. The optional rate schedules will then be adjusted to ensure revenue neutrality on a functional basis.

5. **GS-1 Rate Group**

Illustrative proposed rates for the GS-1 rate schedules are listed in Appendix B.

a. **Default Schedule GS-1**

Schedule GS-1 shall be retained as the default tariff and shall include a Customer Charge, established as provided in Paragraph 4.b, above, and summer and winter Energy Charges, with the summer Energy Charge set at $0.03 per kWh more than the winter Energy Charge.

b. **Optional GS-1 Rate Group Schedules**

i. **Schedule TOU-GS-1 Option A**

Schedule TOU-GS-1 Option A will be comprised of a Customer Charge, established as provided in Paragraph 4.b, above, and summer and winter TOU Energy Charges established as follows: (1) SCE will adjust the marginal generation revenue requirement (reflecting assumptions in the MC/RA Settlement Agreement) so that the average summer TOU Energy Charge will be

$0.03 per kWh more than the average winter TOU Energy Charge, and (2) the cent per kWh differences between the summer on-, mid-, and off-peak TOU Energy Charges and the winter mid- and off-peak Energy Charges will be consistent with DRA's proposal in its initial testimony.[6] Schedule TOU-GS-1 Option A is designed to mitigate bill impacts for Schedule GS-1 customers who choose optional TOU service.

ii. Schedule TOU-GS-1 Option B

Eligible customers served in the GS-1 rate group may also elect to take service on Schedule TOU-GS-1 Option B, which includes a summer season TRD Charge and a FRD Charge, as reflected in Appendix B. For this optional schedule, the cost-based TRD Charges for summer on-peak and mid-peak periods will be based on a generation marginal capacity cost of $95 per kW-year to mitigate bill impacts, as discussed in Paragraph 4.d.i, above.

iii. Other Optional Schedules

Other optional schedules will include Schedule TOU-GS-1-CPP, *i.e.* CPP-Lite, which will be established with a CPP event period Energy Charge of $0.687 cents per kWh and a summer non-event period credit of $0.0198 per kWh; and TOU-GS-1-RTP. The rate structures for Schedules TOU-GS-1-CPP and TOU-GS-1-RTP will be established as reflected in Appendix B to this Agreement.

The optional CPP rider (Schedule CPP) that has been available to customers served on Schedule GS-1, with the full cost-based credit level, will no longer be available to GS-1 customers when this Agreement is implemented, except for the GS-1 customers who are already being served on Schedule CPP when this Agreement is implemented.

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6 See Table 7-2, at p. 7-4 of DRA's December 20, 2011 testimony.

c. Schedule TOU-EV-3

Schedule TOU-EV-3 provides a discounted off-peak Energy Charge, subject to a floor price that is defined by D.07-11-052 as the sum of SCE's marginal generation and distribution costs plus non-bypassable charges, for commercial electric vehicle (EV) battery charging operations. The on-peak Energy Charge will be established to recover the revenue deficiency resulting from the discounted off-peak Energy Charge.

The winter and summer season TOU periods for Schedule TOU-EV-3 will be revised to align with the summer on-, mid-, and off-peak TOU periods that apply to the C&I rate groups to avoid customer confusion and because the summer TOU periods provide an adequate amount of time to facilitate off-peak charging.[7]

6. Time-Variant and Dynamic Pricing Rates

Customers served on schedules in the GS-1 rate group shall not be required to take service on a TOU or a CPP rate structure but instead such rates shall continue to be available on an optional basis. Optional TOU, Real-Time Pricing (RTP), CPP, and CPP-Lite rate structures shall be available.

The CPP program design will not change from its present structure except it shall operate with 12 CPP events per year which may occur on non-holiday weekdays throughout the year and may occur only during the time period from 2:00 p.m. to 6:00 p.m. The CPP structure shall consist of CPP or CPP-Lite Energy Charges during CPP event periods and demand or energy charge credits, where applicable, and shall be implemented as described by SCE's testimony in Exhibits SCE-04 (updated) and SCE-05 and consistent with the rates provided in Appendix B.

Customers that take optional service on a CPP rate schedule or a CPP-Lite rate schedule will be provided 12 months of bill protection such that bills under CPP for the first 12

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[7] Revisions to EV charging rates may be proposed in the future as part of the Commission's on-going Alternative Fuel Vehicle Rulemaking, R.09-08-009.

months shall not exceed bills calculated on the customer's OAT, provided the customer remains on the CPP tariff for a full year. Customers who do not remain on the CPP tariff for a full year shall forfeit any bill protection credits. Bill protection is only available for the first time that a customer takes service on a CPP rate schedule.

7. Standby Service for Customers With Demands of Less Than 500 kW

Standby customers whose demands are less than 500 kW will be treated similarly to customers in the TOU-8-S rate groups. However, such customers in the GS-1 rate group will be served on rate schedules within the GS-1 rate group with rider charges for Standby service (See TOU-8-S charges for less than 500 kW in Appendix B). The Standby Capacity Reservation Charge (CRC) shall be the lesser of the FRD Charge that is based on the customer's OAT or the Standby CRC specified for the TOU-8-S (Sec) rate group. The applicable voltage discounts for such customers are listed in Appendix B.

8. Implementation of Agreement

It is the intent of the Settling Parties that SCE should be authorized to implement the rates resulting from this Agreement as soon as practicable following the issuance of a final Commission decision approving this Agreement but no earlier than January 1, 2013.

9. Record Evidence

The Settling Parties recommend that all of their related prepared testimony be admitted as part of the evidentiary record for this proceeding.

10. Incorporation of Complete Agreement

This Agreement is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to diverse issues, the Settling Parties acknowledge that changes, concessions, or compromises by a Party or Settling Parties resulted in changes, concessions, or compromises by another Party or

Settling Parties in this Agreement. Consequently, the Settling Parties agree to oppose any modification of this Agreement not agreed to by all Settling Parties.

11. Signature Date

This Agreement shall become binding as of the last signature date of the Settling Parties.

12. Regulatory Approval

The Settling Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of the Agreement. The Settling Parties shall use their best efforts to obtain Commission approval of the Agreement. The Settling Parties shall jointly request that the Commission approve the Agreement without change, and find the Agreement to be reasonable, consistent with law and in the public interest.

13. Compromise Of Disputed Claims

This Agreement represents a compromise of disputed claims between the Settling Parties. The Settling Parties have reached this Agreement after taking into account the possibility that each Party may or may not prevail on any given issue. The Settling Parties assert that this Agreement is reasonable, consistent with law and in the public interest.

14. Non Precedent

Consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, this Agreement is not precedential in any other proceeding before this Commission, except as expressly provided in this Agreement or unless the Commission expressly provides otherwise.

15. Previous Communications

The Agreement contains the entire agreement and understanding between the Settling Parties as to the subject matter of this Agreement, and supersedes all prior agreements, commitments, representations, and discussions between the Settling Parties. In the event there is any conflict between the terms and scope of the Agreement and the terms and scope of the accompanying motion, the Agreement shall govern.

16. Non Waiver

None of the provisions of this Agreement shall be considered waived by any Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of their rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

17. Effect Of Subject Headings

Subject headings in this Agreement are inserted for convenience only, and shall not be construed as interpretations of the text.

18. Governing Law

This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

19. Number Of Originals

This Agreement is executed in counterparts, each of which shall be deemed an original. The undersigned represent that they are authorized to sign on behalf of the Party represented.

SOUTHERN CALIFORNIA EDISON COMPANY

By: /s/ Bruce Reed

Title: Senior Attorney Date: September 7, 2012

CALIFORNIA SMALL BUSINESS ROUNDTABLE &
CALIFORNIA SMALL BUSINESS ASSOCIATION

By: /s/ Carl Oshiro

Title: Counsel Date: September 7, 2012

DIVISION OF RATEPAYER ADVOCATES

By: /s/ Joseph P. Como

Title: Director Date: September 6, 2012

COUNTY OF LOS ANGELES

By: /s/ Jack Stoddard

Title: Counsel Date: September 6, 2012

CALIFORNIA BLACK CHAMBER OF COMMERCE

By: /s/ Jack Stoddard

Title: Counsel Date: September 6, 2012

Appendix A

Comparison Exhibit

Comparison of Positions

Small Commercial Customer Rate Group[8]

	SCE	DRA[1/]	CBCC/LAC	SETTLEMENT
Time variant and dynamic pricing rates design and implementation schedule	For customers in both the GS-1 and GS-2 rate groups, eliminate the transition to default CPP as ordered by the CPUC and instead transition to mandatory TOU for GS-1 and GS-2 rate groups beginning October 2012. Provide optional CPP (both CPP-Lite and CPP) and RTP tariffs.[9] If CPUC rejects this proposal, then, consistent with policy in D.11-11-008, adopt mandatory TOU for eligible customers for a period of not less than two years before making GS-1 and GS-2 customers subject to default CPP schedules.	**For GS-1 customers**, implement default TOU beginning October 2013, with optional flat rate GS-1 Schedule. The TOU tariff should reflect lower on- to off-peak rate differentials, *i.e.,* TOU-Lite. Implement mandatory TOU-Lite in October 2014; mandatory TOU in 2015 GRC, possibly with cost-based design. CPP and RTP tariffs should remain optional. However, if CPUC orders default CPP, do not implement CPP prior to two summers' experience on TOU.	**For GS-1 customers,** no specific transition dates. A phased-in approach starting with optional TOU for GS-1 customers should be adopted. Default and mandatory TOU should be implemented only after customer acceptance and learning milestones are reached. CPP should be available as an optional schedule but should be based on full cost levels, rather than a "CPP-Lite" version.	**GS-1 rate group**: TOU rate structure should remain available as an option for GS-1 customers, with flat rate retained as the default schedule. CPP-Lite will be available as an option for all GS-1 customers. CPP at the full cost-based level will remain available to customers already served on CPP but will be closed to new customers.

8 EUF recommended that customers with demands less than 200 kW should be placed on mandatory TOU, with optional CPP.

9 Because SCE's proposals would modify D.09-08-028, SCE separately included proposals designed to comply with the existing requirements of D.09-08-028.

	SCE	DRA[1/]	CBCC/LAC	SETTLEMENT
Bill Protection	One year of bill protection for GS-1 and GS-2 customers who opt into CPP. No bill protection for mandatory TOU.	New TOU customers should be provided at least one year of bill protection. DRA also supports a snap credit program.	CBCC/LAC supports DRA's proposals for bill protection for new TOU customers, and supports SCE's proposed bill protection for customers opting into CPP	One year of bill protection for GS-1 customers that opt into CPP-Lite. No bill protection for customers who choose to transfer to optional TOU.
Customer Education and Acceptance	Customer education and outreach plan, and online rate analysis and budget management tools, as described in Exhibit SCE-5	Recommends outreach and education similar to that ordered for PG&E in D.11-11-008.	Proposes shadow billing for small commercial customers	Conduct the customer education and outreach campaign described in SCE-05. SCE will make online rate analysis tools available to customers. Shadow billing will not be offered
GS-1 Rate Design	Set customer charges at the full EPMC level; with a 7¢ per kWh differential between summer and winter Energy Charges.	Maintain the current 5¢ per kWh differential between summer and winter Energy Charges.	No position	Limit any increase in the GS-1 Customer Charge to 5% above level prior to implementation of this Agreement. Adopt a 3¢ per kWh differential between summer and winter Energy Charges for Schedule GS-1.
TOU-GS-1 Rate Design	Rate designs for TOU schedules should be based on SCE's full EPMC-based levels.	Recommends a "TOU-Lite" rate for GS-1 customers with on- to off-peak TOU rate differentials lower than proposed by SCE.	No position	TOU-GS-1: Limit any customer charge increase to 5%; adopt TOU rate designed with DRA's recommended on- to mid- to off-peak rate differentials with average Energy Charges for summer set at 3 cents per kWh more than average winter Energy Charges.

1/ DRA's recommendations apply only to small commercial & industrial customers (up to 20kW demand).

Appendix B

Small Commercial and Industrial Customer Rate Group

June 2011 and Proposed 2013 Settlement Rates

COMPARISON OF JUNE 2011 TO ILLUSTRATIVE 2013 SETTLEMENT RATES

	June 2011 Rates			Proposed 2013 Settlement Rates			
	Delivery	Generation	Total Rate	Delivery	Generation	Total Rate	Total Rate Change
GS-1							
Energy Charge - $/kWh							
Summer	0.06361	0.11052	0.17413	0.06299	0.10601	0.16900	-2.9%
Winter	0.06361	0.06388	0.12749	0.06299	0.07601	0.13900	9.0%
Customer Charge - $/day	0.733	0.000	0.733	0.770		0.770	5.0%
Three Phase Service - $/day	0.032	0.000	0.032	0.061		0.061	90.6%
Voltage Discount, Energy - $/kWh							
From 2 kV to 50 kV	(0.00047)	(0.00217)	(0.00264)	(0.00056)	(0.00182)	(0.00238)	9.8%
From 51 kV to 219 kV	(0.01474)	(0.00484)	(0.01958)	(0.01781)	(0.00403)	(0.02184)	-11.5%
220 kV and above	(0.01492)	(0.00490)	(0.01982)	(0.03073)	(0.00407)	(0.03480)	-75.6%
TOU-GS-1 (Option A)							
Energy Charge - $/kWh							
Summer Season							
On-Peak				0.06299	0.15068	0.21367	
Mid-peak				0.06299	0.10619	0.16918	
Off-Peak				0.06299	0.07661	0.13960	
Winter Season							
Mid-peak				0.06299	0.08195	0.14494	
Off-Peak				0.06299	0.07060	0.13359	
Customer Charge - $/day				0.770	0.000	0.770	
Three-Phase Service - $/day				0.061	0.000	0.061	
Voltage Discount, Energy - $/kWh							
From 2 kV to 50 kV				(0.00056)	(0.00182)	(0.00238)	
From 51 kV to 219 kV				(0.01781)	(0.00403)	(0.02184)	
220 kV and above				(0.03073)	(0.00407)	(0.03480)	
TOU-GS-1 (Option B)							
Energy Charge - $/kWh							
Summer Season							
On-Peak				0.03226	0.12154	0.15380	
Mid-peak				0.03226	0.04621	0.07847	
Off-Peak				0.03226	0.02805	0.06031	
Winter Season							
Mid-peak				0.03226	0.09365	0.12591	
Off-Peak				0.03226	0.05992	0.09218	
Customer Charge - $/day				0.770	0.000	0.770	
Facilities Related Demand Charge - $/kW				5.43	0.00	5.43	
Time Related Demand Charge - $/kW							
Summer Season							
On-Peak				0.00	7.42	7.42	
Mid-peak				0.00	2.80	2.80	
Three-Phase Service - $/day				0.061	0.000	0.061	
Voltage Discount, Energy - $/kWh							
From 2 kV to 50 kV				0.00000	(0.00139)	(0.00139)	
From 51 kV to 219 kV				0.00000	(0.00308)	(0.00308)	
220 kV and above				0.00000	(0.00311)	(0.00311)	
Voltage Discount, Facilities Related Demand - $/kW							
From 2 kV to 50 kV				(0.10)	0.00	(0.10)	
From 51 kV to 219 kV				(3.15)	0.00	(3.15)	
220 kV and above				(5.43)	0.00	(5.43)	
Voltage Discount, Time-Related Demand - $/kW							
From 2 kV to 50 kV				0.00	(0.13)	(0.13)	
From 51 kV to 219 kV				0.00	(0.28)	(0.28)	
220 kV and above				0.00	(0.28)	(0.28)	

COMPARISON OF JUNE 2011 TO ILLUSTRATIVE 2013 SETTLEMENT RATES

	June 2011 Rates			Proposed 2013 Settlement Rates			
	Delivery	Generation	Total Rate	Delivery	Generation	Total Rate	Total Rate Change
TOU-GS-1-CPP							
Energy Charge - $/kWh							
Summer Season							
On-Peak				0.06299	0.15068	0.21367	
Mid-peak				0.06299	0.10619	0.16918	
Off-Peak				0.06299	0.07661	0.13960	
Winter Season							
Mid-peak				0.06299	0.08195	0.14494	
Off-Peak				0.06299	0.07060	0.13359	
Customer Charge - $/day				0.770	0.000	0.770	
Three-Phase Service - $/day				0.061	0.000	0.061	
Voltage Discount, Energy - $/kWh							
From 2 kV to 50 kV				(0.00056)	(0.00182)	(0.00238)	
From 51 kV to 219 kV				(0.01781)	(0.00403)	(0.02184)	
220 kV and above				(0.03073)	(0.00407)	(0.03480)	
CPP-Lite Event Energy Charge - $/kWh				0.00000	0.68727	0.68727	
Summer CPP-Lite Non-Event Credit - $/kWh				0.00000	(0.01981)	(0.01981)	
TOU-GS-1-RTP							
Energy Charge - $/kWh				0.03226	Variable*	Variable*	
Customer Charge - $/day				0.770		0.770	
Facilities Related Demand Charge - $/kW				5.43		5.43	
Three-Phase Service - $/day				0.061		0.061	
Voltage Discount, Energy - $/kWh							
From 2 kV to 50 kV				0.00000	(0.00182)	(0.00182)	
Above 50 kV but below 220 kV				0.00000	(0.00403)	(0.00403)	
At 220 kV				0.00000	(0.00407)	(0.00407)	
Voltage Discount, Facilities Related Demand - $/kW							
From 2 kV to 50 kV				(0.10)		(0.10)	
From 51 kV to 219 kV				(3.15)		(3.15)	
220 kV and above				(5.43)		(5.43)	
Voltage Discount, Hourly Rates - %							
From 2 kV to 50 kV				0.00%	-2.38%	-2.38%	
above 50 kV				0.00%	-5.28%	-5.28%	
GS-APS (Schedules: GS-1 and TOU-GS-1)							
Air Conditioning Cycling Credit - $/ton/summer season day							
30% Cycling	(0.014)	0.000	(0.014)	(0.052)	0.000	(0.052)	-271.4%
40% Cycling	(0.042)	0.000	(0.042)	(0.063)	0.000	(0.063)	-50.0%
50% Cycling	(0.070)	0.000	(0.070)	(0.092)	0.000	(0.092)	-31.4%
100% Cycling	(0.200)	0.000	(0.200)	(0.373)	0.000	(0.373)	-86.5%
GS-APS-E (Schedules: GS-1 and TOU-GS-1)							
Air Conditioning Cycling Credit - $/ton/summer season day							
30% Cycling	(0.028)	0.000	(0.028)	(0.064)	0.000	(0.064)	-128.6%
40% Cycling	(0.084)	0.000	(0.084)	(0.080)	0.000	(0.080)	4.8%
50% Cycling	(0.140)	0.000	(0.140)	(0.114)	0.000	(0.114)	18.6%
100% Cycling	(0.400)	0.000	(0.400)	(0.409)	0.000	(0.409)	-2.2%

COMPARISON OF JUNE 2011 TO ILLUSTRATIVE 2013 SETTLEMENT RATES

	June 2011 Rates			Proposed 2013 Settlement Rates			
	Delivery	Generation	Total Rate	Delivery	Generation	Total Rate	Total Rate Change
TOU-EV-3							
Energy Charge - $/kWh							
Summer Season On-Peak	0.06361	0.19670	0.26031	0.06299	0.25760	0.32059	
Mid-Peak				0.06299	0.09252	0.15551	
Off-Peak	0.06361	0.04293	0.10654	0.06299	0.02483	0.08782	
Winter Season On-Peak	0.06361	0.08461	0.14822	0.06299	0.07784	0.14083	
Mid-Peak				0.06299	0.06443	0.12742	
Off-Peak	0.06361	0.03875	0.10236	0.06299	0.03372	0.09671	
Customer Charge - $/day	0.733	0.000	0.733	0.770		0.770	
TOU-8-S (Less than 500 kW)							
Energy Charge - $/kWh/Meter/Month - see (OAT)							
Customer Charge - $/Meter/Month - see (OAT)							
Standby (CRC) - $kW							
TOU-GS-1 (Option B)				5.43	0.00	5.43	
Voltage Discount, Capacity Reservation Demand - $/kW							
From 2 kV to 50 kV				(0.10)	0.00	(0.10)	
51 kV to 219 kV				(3.15)	0.00	(3.15)	
220 kV and Above				(5.43)	0.00	(5.43)	
Facilities Related Demand Charge - see OAT							
Demand Charge - $kW applicable to metered maximum kW demand in excess Standby							
Generation Time-related demand charge - see OAT							
Power Factor Adjustment Charge - see OAT							

COMPARISON OF JUNE 2011 TO ILLUSTRATIVE 2013 SETTLEMENT RATES

		June 2011 Rates			Proposed 2013 Settlement Rates			
		Delivery	Generation	Total Rate	Delivery	Generation	Total Rate	Total Rate Change
WTR								
Energy Charge - $/Device/Month								
50	0 - 50 kWh/month	14.77	2.57	17.34	18.46	4.55	23.01	32.7%
100	51 - 100 kWh/month	17.75	5.14	22.89	20.06	9.09	29.15	27.3%
150	101 - 150 kWh/month	20.70	7.71	28.41	21.65	13.64	35.29	24.2%
200	151 - 200 kWh/month	23.66	10.29	33.95	23.24	18.19	41.43	22.1%
250	201 - 250 kWh/month	26.61	12.87	39.48	24.85	22.74	47.59	20.6%
300	251 - 300 kWh/month	29.58	15.44	45.02	26.46	27.28	53.74	19.4%
350	301 - 350 kWh/month	32.52	18.01	50.53	28.04	31.83	59.87	18.5%
400	351 - 400 kWh/month	35.49	20.58	56.07	29.63	36.38	66.01	17.7%
450	401 - 450 kWh/month	38.44	23.15	61.59	31.22	40.92	72.14	17.1%
500	451 - 500 kWh/month	41.42	25.72	67.14	32.84	45.47	78.31	16.6%
Customer Charge - $/Month		17.29	0.00	17.29	15.40	0.00	15.40	-10.9%
Three-Phase Service - $/day		0.032	0.000	0.032	0.035	0.000	0.035	9.4%
Inspection Charge - $/Device/Month		12.60	0.00	12.60	15.34	0.00	15.34	21.7%
Initialization of Service Charge - One-time charge		6.79	0.00	6.79	7.39	0.00	7.39	8.8%
Wi-Fi-1								
Energy Charge - $/Device/Month		1.60	1.32	2.92	0.88	2.33	3.21	10.0%
Customer Charge - $/Month		5.03	0.00	5.03	5.03	0.00	5.03	0.0%
Inventory/Maintenance Charge - $/Devoce/Month		2.88	0.00	2.88	2.88	0.00	2.88	0.0%
Initialization of Service Charge - One time charge/service account		9.68	0.00	9.68	9.68	0.00	9.68	0.0%
Optional CPP rider < 20 kW								
CPP Event Energy Charge - $/kWh								
	GS-1	0.00000	1.36229	1.36229	0.00000	1.37453	1.37453	0.90%
Summer Non-Event Energy Credit - $/kWh								
	GS-1	0.00000	(0.04044)	(0.04044)	0.00000	(0.03961)	(0.03961)	2.05%